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ABSTRACT

This report to the governor of Montana details higher education recommendations for the 1990s. The document opens with a letter to Governor Stephens from the chairman of the Montana Education Commission for the Nineties and Beyond. An introduction details the establishment of and framework for the Commission. A background section lays out the social, economic and demographic trends facing Montana and the consequent projected enrollments and service levels for higher education. The main section of the document details the Commission's seven recommendations. With each recommendation is an indication of the agency or body responsible for effecting change and a projected timetable. Those recommendations are: (1) an educational system focused on expected results; (2) a more fully integrated educational system; (3) a changed policy on credit transfer; (4) the establishment of enrollment limits at certain institutions; (5) an expansion of research and public service programs; (6) unified management and funding of all state units of higher education; (7) funding from the state legislature at no less than the average of peer institutions. Also included is a concluding discussion and an appendix containing a list of Montana higher education institutions and selected responses to a poll of 401 Montanans on higher education issue. A separately-published condensed version of the full report is appended. (JB)

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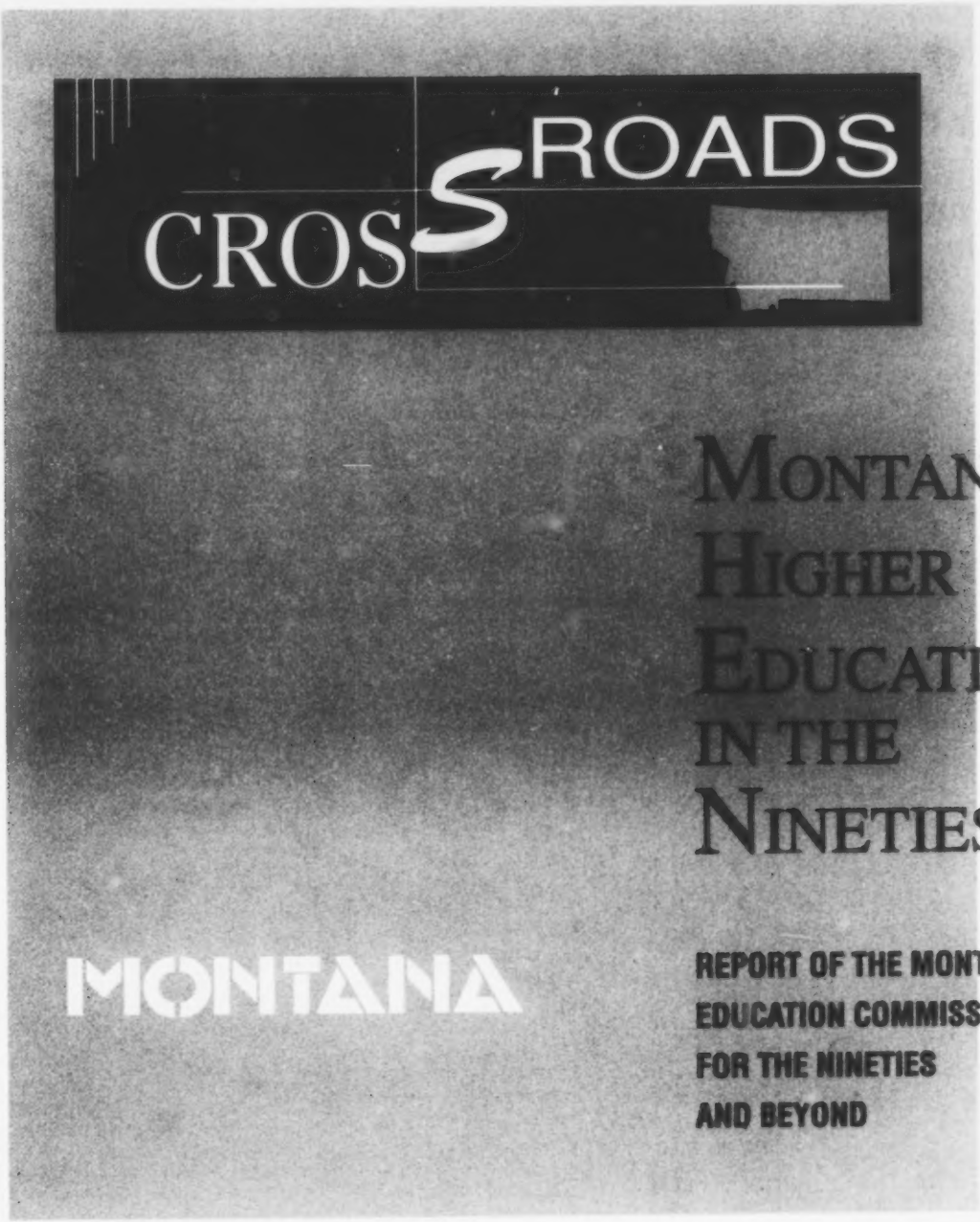
MONTANA



MONTANA HIGHER EDUCATION IN THE NINETIES

MONTANA

REPORT OF THE MONTANA EDUCATION COMMISSION FOR THE NINETIES AND BEYOND

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Stan Stephens
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September 26, 1990

Governor Stan Stephens
Office of the Governor
Capitol Station
Helena, MT 59620

Dear Governor Stephens:

At your request the Education Commission of the Nineties and Beyond has examined post-secondary education in Montana and has considered changes the future will require. During the last year we have held nearly 100 public meetings, visited all campuses, spoken with faculty, staff, students and administrators, conducted a statewide poll of Montana citizens, consulted with nationally recognized specialists, and considered hundreds of written comments.

We heard recurrent themes in town meetings, in letters and in our poll. Montanans want more than a collection of separate educational units serving local needs. They want a true system in which the parts work together to serve the entire state. They want the system to be accessible to a broad range of students, not just those who live near a campus. They want a system with a reputation for high quality, not one with programs teetering on the edge of minimal standards.

Montanans have emphasized to us they are willing to pay for that kind of system. The recommendations in this report focus on the themes of system unity, accessibility, quality, and fiscal responsibility.

The members of the Commission come from different backgrounds and represent a wide range of viewpoints. This diversity fostered a healthy discussion of all issues. Having subjected the ideas in this report to our own internal debate and to public comment, we emphasize that all of the final recommendations have our unanimous endorsement.

The Commission wishes to thank all who participated in this year-long public discussion about the future of higher education, particularly our campus communities, educational leaders, public officials, and the organizations and individuals who supported this effort with their financial contributions. Dr. William Chance has provided invaluable technical assistance to the Commission.

We wish to call attention to the report's title. Montana is at a crossroad. It is our firm conviction that our state cannot continue its present course for higher education without profound and detrimental impacts on the future of our people. We face fundamental choices that cannot be postponed any longer.

This report offers recommendations that challenge all of us--political leaders, educators, citizens, and taxpayers. We share the responsibility for the future we will create by the decisions we make today. These recommendations help point the way to a future of promise and opportunity for all Montanans.

Sincerely,

John O. Mudd
Chairman

Summary of Recommendations

1. We recommend that Montanans identify the knowledge and abilities students are expected to possess and develop comprehensive ways of assessing whether those results have been achieved. The Board of Regents should develop a budget for the Montana Assessment Project for presentation to the 1991 Legislature; the Legislature should support this project with a special appropriation that recognizes its innovative nature and importance. These funds should be used principally for instruction, released time and summer compensation for faculty involved with this project. The Montana University System and individual institutions should seek additional funding from private foundations to complement the state funds. Although we estimate this effort will require a decade from start to completion, annual progress reports should be made by the Commissioner of Higher Education to the Board of Regents and to the Legislature.

2. We recommend the formation of a more fully integrated educational system, from kindergarten through graduate school, with opportunities for college courses while in high school and for continuing education and lifelong learing for all students who need and can benefit from them.

3a. We recommend that the Board of Regents continue their efforts to assure the transfer of credit and create a committee on transfer of credits composed of K-12, vocational center, community college, tribal college, public and private independent four-year institution representatives to identify problems and propose solutions.

3b. We recommend the Deputy Commissioner for Academic Affairs be given the the responsibility to plan and develop the use of telecommunications and distance learning technologies and to coordinate an expanded educational outreach effort by the higher educaiton system. To assist in this endeavor, the Regents should establish regional advisory groups throughout the state.

4. We recommend that enrollment limits be placed on the University of Montana, Montana State University, and on some programs at other institutions, to reserve them for students who are well prepared to meet the requirements of those institutions and programs. The remaining units of the system should continue to operate with full open enrollment policies.

5a. We recommend that the Montana University System maintain and expand its role of research and public service programs to meet the state's economic and community development needs.

Summary of Recommendations

5b. We recommend that the Governor establish a long-range planning council composed of state agency directors, the Commissioner of Higher Education and other appropriate public officials. The council should be charged with the responsibility to anticipate and plan for the state's future. It should involve and draw upon the knowledge of representatives of the private sector. The council should meet regularly, not less than quarterly, to develop and monitor a long-range plan for the state. It also should focus on particular needs and opportunities that may arise, such as the changes in the health care needs of the state that will result from an aging population, or planning for changes in the state's basic industries such as forest products.

6a. We recommend the state's units of higher education be managed and funded as a single unified enterprise.

6b. We recommend that the Board of Regents prepare and submit a single budget proposal to the Legislative and be made responsible for allocating appropriations for the system.

6c. We recommend that the Board of Regents and the Legislature establish a Higher Education Planning and Budget Committee composed of four regents chosen by the Chairperson of the Board and four legislators, two from each party and each legislative body, to be selected by the President of the Senate and the Speaker of the House respectively. This Committee should meet regularly, but not less than each quarter, to maintain effective communication between the higher education system and the legislative branch.

7a. We recommend that the Legislature adopt as state policy the funding of Montana institutions at no less than the average of peer institutions. If budget restrictions reduce the level below the average of the peers, institutions should be required to limit new admissions or otherwise restrict enrollments to the point necessary to ensure maintenance of the average as a minimum support level. Enrollment reductions in the system should be made without funding penalty until the support level reaches the average of the peer institutions.

7b. We recommend a five-year program to restore adequate funding for the higher education system.

7c. We recommend that the state restore the policy of providing 65% of the per-student instructional funding for Montana's community college.

CROSSROADS

INTRODUCTION

On September 12, 1989, Governor Stephens issued Executive Order Number 22-89 establishing the "Education Commission for the Nineties and Beyond" and instructing us, the fourteen members of that committee, to visualize the future needs of the people of this state with respect to all aspects of higher education in a context of concerns for quality, access, accountability, and affordability. The Governor's order also directed us to seek economies in the overall structure of higher education; to consider ways of addressing capital construction and maintenance needs; to identify and prioritize the needs of research and public service; and to recommend means of financing these priorities with respect to stimulating economic development for Montana. Finally, we are obliged to present a report with our recommended actions to the Governor and Board of Regents by October 1, 1990.

In our response to this mandate, we have operated within the framework of five central assertions:

Progress in the development of Montana's prosperity is dependent upon high quality postsecondary and higher education systems;

Persistent economic conditions have created funding problems for these educational sectors;

Long-range planning is vital to ensure that higher education continues to meet the needs of Montana's citizens;

People in the state desire opportunities for their children to be educated and live and work productively in Montana;

The citizens of Montana display a strong desire to re-examine and if necessary re-conceptualize their educational systems.

Throughout our process, we have sought advice and suggestions from all sectors of Montana society. After an initial series of organizational sessions following the formation of the Commission, some 65 public meetings were held in 17 Montana communities. A request for written comments was circulated throughout the state, and hundreds of letters and papers were received and read. In March and April, 1990, a statistically representative public opinion poll was conducted at our request by the University of Montana's Bureau of Business and Economic Research (the summarized results of that poll appear in the appendix of this report). During this period regular Commission meetings also were held, many of which were devoted to formal presentations by specialists from within and outside of Montana, and all of which involved extensive discussions of needs, problems, limitations, and alternatives.

These adventures culminated in our interim report, which led to a second round of community meetings, mailed comments and suggestions, and additional committee meetings. Those events led, in turn, to this, our final report.

Briefly put, this report represents our conception of a twenty-year plan for Montana higher education, a plan that can lead to the achievement of a more relevant and substantially restructured system by the year 2010. Important changes from the interim report have been made in some cases, but the essential themes remain: Building an Accessible and Responsive Higher Education System in Montana; Ensuring Effective and Accountable Governance, and Assuring Excellence Through Sufficient and Sustainable Funding.

We firmly believe that the state must employ all of its educational resources in its efforts to position itself for a positive entry into the 21st Century. Montana is at a crossroad, but whichever road it chooses, it cannot pursue the present route: hard choices await us. These choices must be confronted.

MONTANA AT THE ADVENT OF THE THIRD MILLENNIUM

SOCIAL AND ECONOMIC CHANGE

It is worth noting that the year 2000 signifies more than the end of the 20th century and the onset of the 21st; rather, it symbolizes the end of the Second Millennium and the beginning of the Third. Traditionally the concept of the Millennium has stood as a metaphor for the future, the advent of a golden age, a time to close the door on the past and embark on a new era.

The thought is apt. Certainly not in recent history have Montana and its sister states found themselves in such a period of social and economic change. One need only reflect for a moment on the number of times each day that terms with dramatically new connotations are encountered. "Global economy," "telecommunications," "international competitiveness," "human capital," "economic restructuring," and "Pacific Rim" are words that have taken root in the national lexicon. They have become so familiar that their very conventionality obscures the importance of the changes they imply.

Movement toward the development of a global economy is irreversible. Products travel freely around the world, their prices determined by international rather than national markets. The economies of all industrialized nations and all of the American states are interrelated.

Montana is included. In its report, "The Next Century: Strategies for Advancing Montana's Economy," the Governor's Council on Economic Development argued that competitiveness in the global economy requires the highest quality of the most technologically advanced products and services imaginable. For Montana, this means that traditional commodity industries must outproduce their international competitors through more advanced and efficient processes. In the new global economy, where the capacity for producing everything from wheat to computers is available worldwide, Montana businesses can no longer compete on the basis of price alone. The critical difference, the competitive edge, must reside in the caliber of the work force.

Technology is altering the restraints of time and distance that have shaped work schedules and work places throughout modern history, enabling workers to choose where and when they will work. This is strikingly apparent in Montana, where already one worker in four is self-employed. Technology is introducing change into virtually every industry and every job, creating unparalleled demands for educated people.

As the state's economy becomes more diversified it depends less on traditional extraction industries and more on services and entrepreneurship. Growth in service industries stimulated the presence of 26,000 more jobs in Montana in 1987 than in 1979, more than offsetting job losses in the other sectors.

The educational implications of these changes are apparent today. Montana's six largest service industries in descending order are local/state/private education, health care, retail eating/drinking establishments, general state/local government, federal government, and business. All are completely reliant on skilled people, so much so that the work force has become the critical determinant of the rate of growth of the economy and the well-being of the population.

Montana has been both caressed and buffeted by the national and international influences. As the state enters its second century, it faces a test of whether it can build a first-rate economy with the capability of competing in the new global marketplace. Complaints about barriers to foreign markets notwithstanding, the economic playing field is more level than ever.

Montana's future will depend on its people, on their commitment and intellectual competence. Their skill, dexterity, and knowledge are the critical aspects, and all are within the responsibility of the educational system. The full educational spectrum is involved. More stress than ever must be placed on early acquired basic skills as a foundation for further education, training, and work. A sound technical and scientific grounding and the capacity for adaptation to change are essential. A new role for on-the-job learning and training is emerging. Programs both in traditional educational institutions and in unconventional settings are required. Attention must be directed not only to such matters as expanding the study of foreign history, culture, and languages, but also to extending the opportunities for such study to a wider spectrum of the population. Above all, the concepts of the learning society and lifelong learning must be transformed from rhetoric to reality.

MONTANA POPULATION DYNAMICS

Montana's future also involves changes in its population. The state's population increased about one percent during the 1980s, from 787,000 to more than 794,000 in 1990. Previous 1990 estimates, the starting points of most of the popular projections of Montana population to 2010 have proved high but not dramatically so.

While demographic projections reveal no outstanding changes in the proportion of the population women comprise, Montana women are expected to follow national trends with respect to increased participation in the work force. In 1987, women constituted 58.2 percent of Montana's work force, reflecting a progressively increasing proportion from the 1950 figure of 25.2 percent.

With respect to minority population percentages, Native Americans, the state's largest minority group, comprise about five percent of the state's population. People of Hispanic extraction, the second largest group, represent slightly more than one percent.

Both are comparatively young population groups, with half under the age of twenty. This contributes to an even greater educational effect on these people than on the population as a whole. Although figures for Montana are not available, nationally 56 percent of Native Americans 25 years and older have completed four or more years of high school, compared with a general population figure of 67 percent. Less than ten percent have completed four or more years of college, compared with 12.6 percent for the total population. The high school drop-out rate for Native Americans is a staggering 35.5 percent, compared with 22.2 percent for Blacks and 27.9 percent for Hispanics. The general drop-out rate is estimated at less than 20 percent nationally. Native Americans account for 3.1 percent of the high school drop-out figure, although they comprise less than one percent of the nation's elementary and secondary school students. These young, rapidly expanding population groups, with relatively low educational attainment and high unemployment and poverty rates represent a special concern for anyone anxious to ensure a fully responsive higher educational system.

Other trends involve the population distribution, particularly the shift from rural to urban localities. During the twenty years between 1930 and 1950, Montana's farm population declined by two-thirds. During the following 20, between 1950 and 1980, the decline was about half. The present farm labor force in Montana is about eight percent of the total state labor force. These changes are not expected to reverse, and they require educational responses sensitive to sparse population patterns.

Figure 1

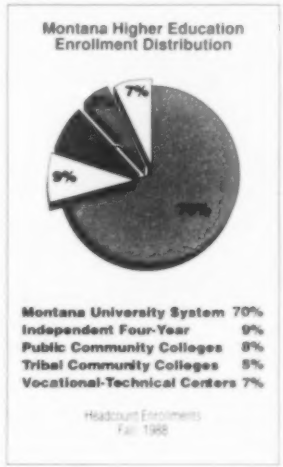


Figure 2

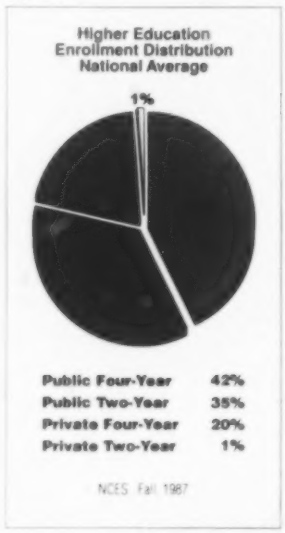
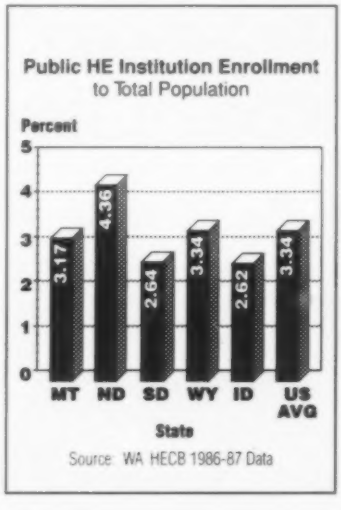


Figure 3



ENROLLMENTS AND SERVICE LEVELS

Seventy-two percent of the Montana students enrolled in postsecondary education are in the six public four-year colleges and universities. Private four-year college enrollments increase the total proportion of the four year institutions to 80 percent, see Figure 1. This is much higher than the national pattern, see Figure 2. (Montana's six private four-year colleges enroll about eleven percent of the total four-year enrollments; the state ranks 46th in the nation in private college and university enrollments). Public and tribal community college enrollments comprise 12 percent of the total, and vocational institutes account for the remaining seven.

Approximately 39,000 people attend the 27 postsecondary institutions located in Montana. The rate of participation, stated in terms of the percentage of the population that is enrolled in all of higher education at any one time, is approximately 4.9 percent. In 1986-87, the most recent year for which national comparative data are available, full-time equivalent (FTE) student enrollments in Montana's public institutions, excluding the vocational-technical centers, equated to 3.17 percent of the total state population (See Figure 3). Montana ranked sixteenth in the nation on this score. The national average was 3.34 percent.

For comparison purposes, in 1986-87, 2.92 percent of the Montana population was enrolled in public four-year institutions, well above the national average of 1.74, ranking the state second in the nation on this basis (Figure 4). The percentage of the population enrolled in public two-year schools was 0.25, well below the national average of 1.02, ranking the state 48th. These figures have changed a bit: presently 3.38 percent of the state population is enrolled in public four-year institutions and .77 in the two-year schools. We do not know what the 1989-90 national average is, so we have no basis for an interstate or national comparison, but the disparity in participation rates between the two types of institutions is striking, and it describes a

Figure 4

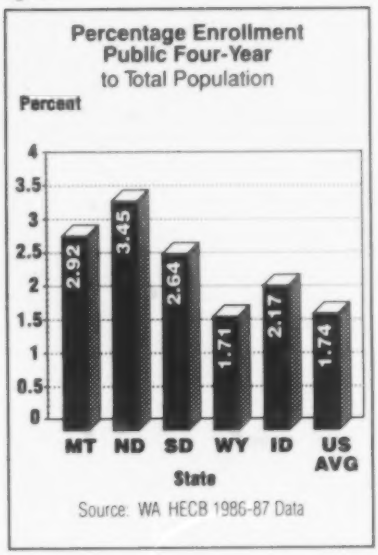
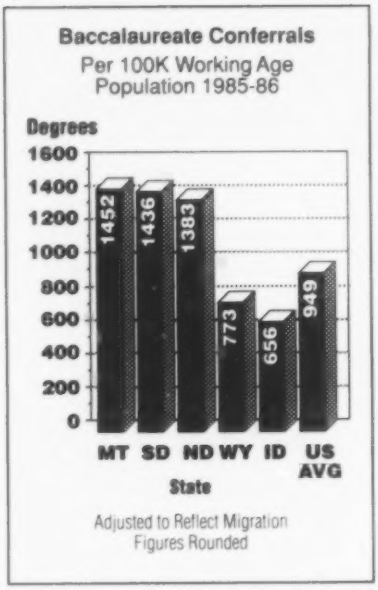


Figure 5



major imbalance in Montana's higher education system.

Montana leads the nation in per capita conferrals of baccalaureate degrees among the working age population with 1,452 per 100,000 (Figure 5), an impressive statistic, also reflective of the 4-year institution emphasis. As might now be expected, it slips when it comes to conferrals of associate degrees to working age Montanans—about 200 per 100,000.

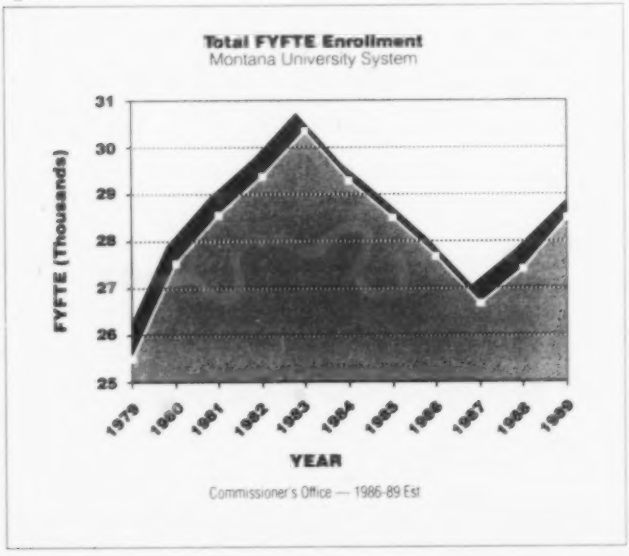
Montana's higher education system experienced enrollment increases throughout the 1970s and the early 1980s. Recent years have witnessed decreases on the average of three percent a year. Enrollment in 1988-89 (FTE) was about equivalent to 1981 (Figure 6). Enrollments are expected to stabilize or increase slightly through the early 1990s and then increase moderately through the turn of the century.

Even with none of the changes recommended later in this report, there will be some growth in higher education enrollments. Using current population projections, if the 3.52 percent figure for enrollments in all types of Montana institutions, public and private, is maintained, the estimates of future enrollments indicated on the FTE Enrollment chart (below) may be derived.

Since the FTE total will be less than the headcount figure, the actual number of students in attendance will be greater (public institution headcount enrollments presently range around 20 percent greater than the FTE figure). There are obvious problems with the projections, not the least of which is lack of agreement among the projecting groups on future population total. A 1988 Western Interstate Commission on Higher Education (WICHE) report projected a ten percent decline in the annual numbers of Montana high school graduates between 1986 and 2004. Again, we are proposing changes that may increase the participation rate. Thus, we expect that the actual numbers may be higher.

The profile of Montana's higher education enrollment is changing. Women, part-time, and older students are in greater prominence than ever. According to information from the Office of the Commissioner of Higher Education, part-time students in Montana's four-year institutions (public and private) and three state-supported community colleges represented 25.5 percent of the total in 1987, up from 24 percent five years earlier. Nationally the average part-time enrollment is 44.2 percent of the total, well above Montana's figure.

Figure 6



PUBLIC HIGHER EDUCATION FTE ENROLLMENTS

(FTE students equal to 3.52 Percent of the Population)

Population, 1989-2010 Projection

	1989	1995	2000	2010	Change
Census*	28,685	28,489	28,346	28,346	-339
BEA**	28,685	29,096	29,417	30,167	+1,482
NPA***	28,685	30,003	30,909	31,783	+3,909
W&P****	28,685	30,033	30,434	31,385	+2,700

* Bureau of Census, Department of Commerce
** Bureau of Economic Analysis, Department of Commerce
*** National Planning Association
**** Woods & Poole Economics

Women comprise the greater proportion of part-timers. In Montana, women account for nearly 60 percent of the part-time students, and slightly more than 47 percent of the full-timers, although they represent 51.2 percent of total enrollments, full- and part-time. This also accords generally with the national pattern, as represented by the fact that at the national level, women represent 58 percent of the part-time students and 50 percent of the full-timers. Throughout the country they comprise 53.5 percent of the total.

The vast preponderance of students, nearly 92 percent, in Montana's higher education system are White, matching the general population distribution. Native Americans comprise 1.9 percent of the public community college enrollments in Montana and 3.1 percent of the full-time undergraduate students in Montana's six public four-year institutions.

The average age of students in all of the units of the University system has been gradually increasing for several years. The average student age in 1981 was 24.7 years; in 1987 the figure was 25.7 years.

Finally, Montana is a net exporter of postsecondary education students. Based on Fall, 1986 figures, 2,395, about 25 percent, of Montana's graduating high school students who entered college did so in another state. The number was partially offset by 1,080 entering students from other states, leaving a net college student out-migration figure of 1,315. This is not a regional pattern. Two of Montana's neighbors, South Dakota and Wyoming, also were net exporters, 233 and 741 students, respectively. North Dakota and Idaho were both net importers, with 714 and 1,258 students, respectively.

These trends and figures describe the objective conditions confronting Montana as it prepares to enter the next century. They reflect conditions of uncertainty. Whatever else, an aggressive stance will not naturally evolve. Assertive actions and policies are required. Those we recommend are presented in the section that follows.

RECOMMENDATIONS FOR MONTANA'S HIGHER EDUCATION SYSTEM

The central goal of our recommendations is a truly unified system of higher education for Montana.

The challenges confronting the people of Montana on the eve of the 21st Century portend a higher education system characterized both by tradition and innovation. They compel expanded educational opportunities for Montana citizens, inviting a new focus on demonstrated student achievement as the prime measure of educational accomplishment. They require an inspired response that draws on the most advanced technologies and imaginative approaches to educational delivery possible. Finally, they compel full utilization of the resources we have, in familiar and unfamiliar ways. We believe these are possible, but they will require a structurally unified educational system.

The central goal of our recommendations is a truly unified system of higher education for Montana. Over many generations the state has developed a collection of educational institutions, each with particular strengths. To the extent that these institutions have been encouraged by budget allocations, political pressure, or self-interest to place their special institutional needs above the needs of the state, Montana's students and the people of the state as a whole have suffered. The history of educational development in Montana has seen extreme cases of harmful educational parochialism. Some of this has emanated from the educational community itself; some has been encouraged by the political process.

In a more favorable light, recent experience offers numerous examples of institutional cooperation, cases in which units have worked together to serve the state's educational needs. When this happens the whole has invariably proved greater than the sum of the parts.

Our recommendations are intended to accomplish a single unified system of higher education, with

One consolidated budget,

A central management authority,

A funding system that minimizes harmful inter-unit competition,

A coordinated effort for educational outreach, and

An unhampered capacity for students to transfer among institutions.

AN EDUCATIONAL SYSTEM FOCUSED ON EXPECTED RESULTS

1. We recommend that Montanans identify the knowledge and abilities students are expected to possess and develop comprehensive ways of assessing whether those results have been achieved. The Board of Regents should develop a budget for the Montana Assessment Project for presentation to the 1991 Legislature and the Legislature should support this project with a special appropriation that recognizes its innovative nature and importance. These funds should be used principally for instruction, released time and summer compensation for faculty involved with this project. The Montana University System and individual institutions should seek additional funding from private foundations to complement the state funds. Although we estimate this effort will require a decade from start to completion, annual progress reports should be made by the Commissioner of Higher Education to the Board of Regents and to the Legislature.

Montana can raise the quality of education and improve student learning through renewed attention to results.

Historically, student progress has been expressed in terms of courses and grades. Without denying the importance of such traditional measurements, we believe Montana can raise the quality of education and improve student learning through renewed attention to results. In this respect, the state should initiate a pivotal project directed to refocusing educational effort on the knowledge and abilities we want our students to master.

To achieve this, educators at all levels of the educational system will need to communicate regularly with each other. Montana's K-12 and postsecondary systems are separately governed and administered by separate boards and staffs. The systems are distinct. The education currency—the symbol that binds the two—is the course credit, the Carnegie Unit. Credits, however, do not mean the same thing to all people, and this has created problems between high schools and colleges and among colleges. The meaning of a year of high school English will naturally vary among college registrars when upwards of fifty subjects, from journalism to drama, qualify for English credit. Four years of high school English do not automatically mean the student has mastered composition. Similarly, five credits of American government rarely means the same to all faculty.

Montana has an opportunity to break new ground. It can design a fully integrated educational system based on demonstrable student competence. Since no models exist that precisely fit Montana's situation, there is a great opportunity for the state's education community to be creative.

Our use of the term "competence" has generated concern that we are proposing the substitution of a broad, liberal education with a more narrow, technical training approach. While we do not deny the importance of technical training as an essential component of some education programs, or as an end in itself if that is the educational goal, we intend "competence" in a far wider sense. By "competence" we mean that the range of knowledge and abilities a faculty intends to certify has been attained by the student when a degree is awarded.

The faculty of a four-year institution should be able to certify student achievement of core competencies with the award of a baccalaureate degree. Faculty within a particular department should be able to certify accomplishment of the more specific competencies that comprise mastery of a major in that department when the requirements for the major have been fulfilled. Thus, when a faculty awards a degree in humanities, it should be certifying that the graduating student possesses a sufficient base of knowledge in such fields as history, science, languages and mathematics. Even more than just possessing knowledge, a liberally educated student should have such basic competencies as the ability to employ knowledge to analyze current events and societal issues, and to reason critically, compute accurately, and communicate effectively.

Similarly, students awarded degrees in such diverse fields as mathematics, nursing or music should be able to demonstrate the appropriate level of mastery of their fields, both in terms of the knowledge they have attained and the abilities they have acquired. The same is true for those who pursue vocational training programs, such as auto mechanics, medical transcription, or practical nursing. Each field is composed of a body of knowledge and abilities that should be acquired and mastered.

By indicating in clear, direct terms what is expected of the student and developing broad forms of assessment to ensure that the intended result has been achieved,

the teaching and learning process can be enhanced. Quality in education is critical, yet it is difficult to measure. An emphasis on student mastery and competence is a logical element of any aspiration to educational excellence.

Thus, Montana should embark on a major effort involving all educational levels to identify the knowledge and abilities students should be expected to achieve at important points in their educational journey.

In addition to identifying appropriate abilities, educators should develop appropriate and effective ways of determining whether the competencies have been achieved. We refer to this broad form of evaluating students' knowledge and abilities as "assessment" to distinguish it from the more narrow focus of conventional testing. We do not deny the importance of testing; we only emphasize that it is but one part of a broad form of assessing the full range of a student's knowledge and ability.

The effort to identify student competencies should involve educators at all levels. The goal should be to develop a common language and understanding that can be communicated across the full educational spectrum. Ultimately, student performance should be expressed not only in terms of courses taken and credits earned but also in terms of the knowledge the student has acquired and the abilities developed. Conventional student transcripts could then be supplemented with portfolios containing examples of the student's accomplishments as demonstrated in these broader forms of assessment.

We estimate that accomplishment of a program of identifying student competencies and developing methods of appropriate assessment will require a sustained statewide effort for at least a decade. While some states and individual schools have taken steps in this direction, the statewide effort across education lines recommended for Montana would be unique. In addition to improving the quality of education within the state, the Montana Assessment Project (MAP), the title we have given to this effort, could place our state in a national leadership role. The MAP should have as its purposes the improvement of student learning and the promotion of educational quality. Although this effort needs to be coordinated statewide, one of its important aspects is that individual institutions should be allowed to identify the intended outcomes and competencies for their students and to assess them in ways appropriate to their school's mission and institutional culture. Systemwide discussion about competencies and assessment methods should stimulate important educational developments that can benefit all Montana students.

Some states have tied student performance on standardized tests to institutional funding. We do not believe Montana should use student assessment in that way. We are recommending a new approach to assessment to help students learn, not to build budgets. The goal is not uniformity but greater clarity in what is expected of students and greater accuracy in determining whether the students have achieved intended goals.

Finally, it has been suggested that more effective methods of assessing student performance necessarily involve significant cost increases. Some institutions have experienced added costs, particularly when they have employed standardized tests in large numbers. Others, however, report significant improvements in assessing student performance with only minimal cost increases. One of the goals of the MAP, and one of the reasons we do not recommend a single form of assessment, is to encourage experimentation and the development of several relevant efficient and cost-effective forms of assessment. We are confident that Montana educators with the interest and advice of the general public can make significant advances if they have a modest start-up appropriation for this project and a stable, adequate base of institutional funding with which to work.

RESPONSIBILITY:

Board of Regents

Legislature

Montana Higher Education Community

TIMETABLE:

1990 Board of Regents establishes a process and schedule to implement the Montana Assessment Project

1991 Legislature appropriates initial funding

2000 Complete implementation

Ultimately, student performance should be expressed not only in terms of courses taken and credits earned but also in terms of the knowledge the student has acquired and the abilities developed.

A MORE FULLY INTEGRATED EDUCATIONAL SYSTEM

2. We recommend the formation of a more fully integrated educational system, from kindergarten through graduate school, with opportunities for college courses while in high school and for continuing education and lifelong learning for all students who need and can benefit from them

Two important impressions flow from our understanding of the social and economic conditions Montana will face in the future. The first is that high school learning experiences should not be "terminal" but designed to integrate with further studies at the postsecondary level and throughout one's adult life. The second relates to this and requires the development of cooperative secondary/postsecondary programs.

The certifying threshold of all education, academic as well as advanced job training, is shifting to the postsecondary sector. The historical distinctions between vocational and non-vocational education in the high schools are being blurred as employers expect general rather than highly specific work-related competencies in students who graduate from the public schools. Employers and postsecondary educators alike are calling for attention to academic skills in the high schools, encouraging the deferral of specific concentrations, vocational or otherwise, until the basics are accomplished. Occupational requirements thus become more specific as the individual moves up the educational ladder. This creates a new importance for postsecondary institutions of all types. It also creates need for all students to master basic academics in the high schools.

Opportunities should be provided for students to choose integrated high school/postsecondary options in both academic and occupational fields during their eleventh and twelfth years.

This development leads to the concept of an educational ladder—one in which advanced learning in vocational centers and colleges builds in a non-repetitive fashion on the transferrable competencies students have acquired through mastery of the academic basics and exploratory career courses in high school. Increasingly, more advanced training is subsequently acquired at the postsecondary level. Occupational learning ladders can mirror the academic career path represented by college level work, post-graduate studies, and continuing education in the academic and professional fields. This process can be expedited if the admissions requirements of postsecondary institutions emphasize student competencies rather than completion of specific courses.

In our view, the K-12 system should be organized around the goal of achieving the core competencies identified by the State Board of Public Education through task forces composed of public school teachers, parents, employers, and higher educational faculty. The Board already has taken important steps in this direction with its new accreditation standards. The core competencies might include effective communication skills, knowledge of American and other civilizations and governments, facility with at least one language other than English, computation skills, an understanding of geography and economics, an appreciation of the arts, job acquisition and retention skills, and citizenship skills. The core curriculum should represent expectations applying to all students on the assumption that all can learn. The goal would be the mastery of these basic competencies by all students by the end of the tenth grade, the usual end of compulsory attendance.

The last two years of high school then should be characterized by expanded opportunities for students to receive occupational training and participate in college preparation programs, according to their needs and interests, in conjunction with postsecondary institutions. The demonstration of competence would provide a meaningful qualitative measure for educators and students alike to facilitate the smooth movement of students through the system. The emphasis on competence also would encourage cooperation among high schools, vocational institutions, colleges and universities in courses and innovative programs.

More opportunities should be provided for students to choose integrated high school/postsecondary options in both academic and occupational fields during their eleventh and twelfth years. Joint programs, dual enrollments/joint registration arrangements leading to associate and bachelor degrees in academic and occupational fields should be established between high schools and the system of higher education. These associations should facilitate the development of integrated courses of study, resource sharing arrangements, the application of distance learning technologies, teacher/faculty peer associations within academic discipline areas, professional development activities, and clear student transfer paths between educational sectors.

RESPONSIBILITY:

Board of Education (Board of Regents working with the Commission of Higher Education and Board of Public Education working with the Superintendent of Public Instruction)

Legislature

Montana Secondary and Postsecondary education community

TIMETABLE:

1991: **Board of Education** completes long-range plan to develop opportunities for secondary students to receive post-secondary instructional offerings

1991: **Legislature** funds professional and staff position for the Deputy Commissioner of Academic Affairs to coordinate the system's outreach program and integrate programs with the secondary schools.

BROADENING THE HIGHER EDUCATION SYSTEM

Montanans share in the goal of a truly accessible postsecondary education system for all of the state's citizens. Achievement requires the effective use of all of the educational resources and institutions the state now has and the development of a coordinated effort to capture the potential of telecommunications and other new technologies for distance learning.

The issue of educational access in Montana involves five aspects:

1. the number and nature of the institutions the state has developed in the last 100 years
2. accessibility to educational programs
3. availability and duplication of programs within units;
4. credit transfer; and
5. the extent to which those institutions provide the educational opportunities Montanans will require in the next century.

UNITS OF THE UNIVERSITY SYSTEM

The present generation of Montanans has inherited a number of higher education units and facilities. These are not ideally located to serve the needs of all of today's students, especially students who are not able to leave their communities because of economic or family considerations. If we were starting over, we would likely arrange and locate a system of institutions differently. That is not the case. The cost of reconfiguring the existing units into an ideal arrangement would be staggering, and we do not have that luxury. The question is not, therefore, whether the present arrangement is ideal—it is not. The more practical question is how best to take advantage of the units and facilities we have inherited.

Unit closure is frequently cited as a potential cost-cutting measure, with cost reductions accomplished by shutting down some units and shifting students to other locations. We have examined this issue from several perspectives, although we have not attempted to determine whether closure would be politically acceptable to the people of Montana. Our analysis has been limited to issues of cost and educational quality, not political feasibility.

Three important facts bear upon the issue of closure. First, there is no significant unused capacity at Montana's larger institutions that would allow substantial numbers of students from smaller institutions to be accommodated without added cost. Second, with even the modest population increases projected for Montana over the next 20 years, the state will require additional institutional capacity because of natural growth and the increased educational requirements that will be expected by employers and society generally. Third, the costs of higher education are driven primarily by the number of students served and the type of institutions and programs in which they are enrolled.

The more practical question is how best to take advantage of the units and facilities we have inherited.

When these considerations are taken into account, it becomes apparent that simply closing an institution and transferring the students to another site would not save educational costs, because most of these costs simply follow the students. Under some circumstances there may be savings in administration and support costs, and those savings cannot be disregarded. Nevertheless, the primary cost of educating a student—the costs of faculty, academic support services, among others —are generated by the students, whether they are on one campus or another.

Any significant closure involving a shift of a large number of students would require expanded facilities and support services at the receiving institutions, creating a need for additional funds there. Moreover, the units to be closed would have to retire outstanding bonds on their facilities. Campus closure sometimes also involves matters unique to the institution. For example, at Western Montana College a restriction in the deed that conveyed most of the land to the state requires that this land be returned to private ownership if it is not used as a college. Severance pay for terminated employees and moth-balling costs for closed facilities also must be considered.

Closure of units also would make it impossible for place-bound students in and near the communities in which the institution is located to transfer to another institution. Depending on the unit to be closed, estimates of the resultant drop-out figures range between 40 and 60 percent. Because these students would no longer be served by higher education, their loss would result in a cost savings to the system. And this illustrates the situation: any substantial savings achieved by closing units occurs from the number of students who are dropped from the system. Substantial savings do not come from shifting students from one campus to another.

Although Montana's present set of campuses is not ideally situated, the ratio of the number of institutions to the geographic area to be served is less than other western states such as Washington, Oregon, Arizona, North Dakota, New Mexico, Utah, South Dakota, Idaho, and Wyoming. Montana ranks sixth nationally in the ratio of public institutions to population at 1:87,444. This is behind Wyoming and North Dakota, and slightly above South Dakota.

Unit closure and the resulting limitations on access also appear to run counter to the preferences of most Montanans. Less than a majority feel Montana is supporting too many units—36 percent. A greater percentage, 60 percent, indicate they are willing to pay higher taxes to maintain the institutions Montana presently has. When presented with a range of options for limiting student enrollment, 35 percent reported a preference for closing one or more of the postsecondary institutions. A large majority, 70 percent, opposed limiting the number of students allowed to enroll in the system.

In the end we are left with the reality of the standing configuration of units and facilities. As enrollments increase over the next twenty years, some expansion of the system's capacity will be required. Thus, we do not believe it makes fiscal or academic sense to close units. A more realistic and appropriate course is to make the best use of the investments the state already has made in ways that promote academic quality while minimizing cost.

ACCESS

Most of the state's present higher education emphasis is on four-year colleges and universities, as distinct from two-year community colleges and vocational centers. This historical development appears to match Montana resident preferences. For their own child, 60 percent of the poll respondents preferred a four-year college over a two-year school. Similarly, we encountered a tendency among teachers, advisors, and counselors to not encourage high school students to consider vocational centers and community colleges. Whatever the reasons, Montana's higher education system focuses on four-year residential institutions augmented with a scattered presence of two-year institutions and vocational centers.

Lower division, occupational preparation, continuing education and worker retraining programs are present, but access to them is limited for place-bound Montana residents residing beyond commuting distance. The common pattern is one in which numbers of Montanans graduating from high school face the choice of either immediately entering a four-year institution or entering the labor market. For many, especially those who must work, there are no other options. The state has not developed a comprehensive array of community-centered feeder institutions or programs; the absence of academic transfer programs in the vocational-technical centers is a further limiting condition.

Higher educational opportunities, either on-site or technologically, should be available within commuting distance to every Montana resident.

We must recognize and serve the needs of the individual whose goal is to acquire a high level of skill in a craft or trade. The needs of our society for skilled artisans and craftsmen are equally as great as its need for professionals. Our vocational technical training centers have provided the means to acquire such skills, but only in the locations where these centers exist. We should expand their reach to more remote areas of the state.

Against this background, the Montana Department of Labor and Industry cites data indicating that by the year 2000 the educational level necessary to obtain a job will increase to an average of 13.5 years. The high school diploma, presently required for about 58 percent of available jobs, will serve as the basic educational requirement for only 40 percent by that year. The importance of two-year programs that can be transferred to four year institutions and vocational-technical educational opportunities are certain to increase.

Though it will soon not be a sufficient passport to employment for most Montanans, the high school diploma is nonetheless an essential credential, and Montana's K-12 system does well. The state has one of the highest graduation rates in the country, 87.3 percent, ranking it fourth. Montana high school graduates, however, are not continuing into postsecondary education in the numbers expected. The state is below the national average in terms of the ratio of students in public higher education institutions to high school graduates. Montana ranks thirtieth on this scale.

Because of such statistics, we question whether Montana's higher educational system is as accessible as systems in other states to place-bound high school graduates desiring further education and to other potential students desiring job training, retraining, or continuing education.

Important changes in the characteristics of students have been occurring over the past several years, and we expect the trends they represent to intensify. While the annual numbers of graduating high school students have been decreasing, there has been no comparable decrease in enrollments in higher education. The difference is made up by women and older students enrolling in Montana's colleges and universities. According to the Commissioner's office, if present trends continue, 40 percent of the student population of the near future may be made up of those students who have typically been considered 'non-traditional.' Such statistics suggest that the traditional concept of college enrollments composed essentially of students going to college directly from high school—18 to 22 year-olds relocating to residential college campuses for four years of study—is fading.

Some of the needs of the new post-secondary students can be met through distance learning methods, which also can reduce the problems facing people who reside in Montana's rural areas and small communities. The new detailed census figures are not yet available, but in 1980 Montana ranked as the eleventh most rural state in the country. Telecommunications represent an area of considerable interest to Montanans, a majority of whom believe Montana should invest in telecommunications and off-campus delivery systems to increase access to postsecondary education in rural areas.

We doubt whether the system as it is presently structured and distributed can respond to the range of educational needs that will be required by Montana's residents during the remaining years of the present century and the opening years of the next. In our view, higher educational opportunities, either on-site or technologically, should be available within commuting distance to every Montana resident. Accomplishing that goal will require new and imaginative approaches to the manner in which higher education services are organized and delivered, and our recommendation moves the state towards that goal.

PROGRAM DUPLICATION

People who responded to the public opinion poll gave program duplication the highest ranking in the list of problems calling for reform in Montana. Twelve percent pointed to duplication as a problem.

"Duplication" often carries a negative connotation, although an important distinction must be made between duplication that is necessary or desirable, and unwarranted duplication. Some duplication is essential to respond to the needs of place-bound students and to ensure an adequate core curriculum at colleges and universities. The state also must meet needs for trained professionals, and this can force duplication in fields such as business and teacher education. Employment market needs for graduates of various occupational fields may contribute to duplication in vocational programs, at least while those needs are being fulfilled. The factors driving duplication in these instances are access, student demand, and institutional role.

We believe the higher the program level or the more specialized and costly the field of study, the less the state is obligated to duplicate it to provide access, and the greater becomes the obligation of the student to travel to the program. Liberal arts curricula, common vocational programs, and continuing education programs for teachers and nurses, for example, should exist in greater number than specialized

graduate programs. Lower division history and English courses, as other examples, should be available at all institutions. Local access to advanced (upper-division—baccalaureate majors—and masters) programs might be met without unnecessary duplication through occasional offerings made available for one or two years in a given locality and then moved to another.

Recently the Board of Regents reported that 68 percent of the programs offered in the vocational centers were unique to one center. An additional 13 percent were offered in no more than two centers. Eighty-six percent of the programs, therefore, are limited to no more than two centers. Yet, by their very nature, these centers are community based and designed to serve local employment needs, which are bound to be similar in some communities.

In the case of community college associate degree programs, 72 percent are unique to one institution, and an additional 16 percent are offered in no more than two. Baccalaureate programs display a similar pattern. Seventy percent of the programs are unique to a single institution, and an additional 14 percent are offered at no more than two. At the baccalaureate level, teacher education programs are the most frequently duplicated.

Eighty-two percent of Montana's masters programs are not duplicated. An additional 14 percent, for a total of 96 percent, appear on no more than two campuses. Three graduate-level degree programs—in teacher education and counseling—are found in more than two units of the system. Eighty-three percent of the doctoral programs are limited to one university. Only four—chemistry, mathematics, microbiology, and education—are offered both at the UM and MSU. Each of these programs was reviewed by the Board of Regents in 1987, and a decision was made to retain them.

In our view, unwarranted duplication is not a serious problem in Montana's higher education system. We believe the state's teacher education programs should be reviewed, but not so much for duplication as to consider the changes that are evolving in the field.

We commend Montana's participation in the Washington, Alaska, Montana, Idaho (WAMI) program as an effective way to address the state's needs for physicians without the burden of a teaching hospital. Montana also participates in several student exchange programs through WICHE. Our state needs for dentists, veterinarians, and other health professionals are addressed in this manner. Both of these programs provide educational access for Montanans at significant cost savings and without regional duplication.

We also applaud the Board of Regents for their program review efforts during the last ten years, and we agree with the Regents' observation that the process by which new programs are approved in Montana should be inherently conservative.

The subject of program duplication has fiscal efficiency at its core. There are other aspects of this efficiency issue in addition to academic programs. We were interested in how Montana institutions compare in terms of administrative costs and asked the Legislative Fiscal Analyst for information on this. We were advised that Montana institution administrative costs on a per student basis ranged between 50 and 70 percent of the average costs of comparable institutions in neighboring states.

We have looked at institutional closures, program duplication, and administrative costs. We are satisfied that changes in these areas would yield only limited economies.

CREDIT TRANSFER

3.a.We recommend that the Board of Regents continue their efforts to assure the transfer of credit and create a Committee on Transfer of Credits composed of K-12, vocational center, community college, tribal college, and public and private four-year institution representatives to identify problems and propose solutions.

Uncertainties about how easily students can transfer between units is an issue also related to the number and types of such units. Concerns about credit transfer are common in higher education. Students and parents have reported the loss of time and money when credits fail to transfer from one institution to another.

Unwarranted duplication is not a serious problem in Montana's higher education system.

When students change schools, decisions about qualifications are normally made by the receiving institution. Left unattended, this can create problems. Some community college faculty complain that decisions about the transferability of their courses to four-year institutions are made without consultation with them by the faculty at four-year institutions, often to the disadvantage of the transferring student. Students who lose credits for work successfully completed at one institution have an obvious complaint, as do taxpayers, who might feel they have paid taxes twice for the same service.

Some transfer problems, however, are related to a student's desire to change majors. Significant shifts in academic interests or career goals are often accompanied by the inability of a student to meet the requirements of the new program with credits gained in the former program. Here the transfer problems arise from the student's choice.

Other transfer problems appear to result from poor communications about which credits will transfer to another institution or program and which will not. To overcome these difficulties both the student and the faculty advisor must have accurate information and communicate regularly throughout the student's course of study.

Improved transfer between units can be accomplished in several ways. Clear communication among institutions and between students and faculty is the first and most important. Another is to insist on a more fully integrated curricular structure among all units. The Commissioner of Higher Education's office recently initiated important steps to coordinate the transferability of core courses throughout the system. Other states have implemented such initiatives as the use of inter-unit coordination committees involving both secondary and higher education faculty in statewide inter-institutional planning; establishing methods to disseminate information about which courses will and will not transfer; improving communications among faculty on transfer issues; developing agreements on transferability of core credits; and consideration of a common course numbering system, at least for lower division academic transfer courses. Several of these are worthy of trial here.

The issue of credit loss is important yet complex. The Regents are addressing the problem and we encourage them to continue. With a system-wide effort by educators and care by the student, the transfer problems that have been reported can be minimized or avoided.

A PROGRAM FOR THE FUTURE

3.b.We recommend that the Deputy Commissioner for Academic Affairs be given the responsibility to plan and develop the use of telecommunications and distance learning technologies and to coordinate an expanded educational outreach effort by the higher education system. To assist in this endeavor, the Regents should establish regional advisory groups throughout the state.

Accessible education is the essential means to the state's full participation in the global economy of the 21st century. Its importance is heightened by the certainty of employment shifts that will require the continual acquisition of new skills over the course of individual careers, the aging of the population, which will place much of the cost of retirement and health programs on a smaller portion of society, and by the increasing complexity of social, economic, political, and community life.

Such a conception of an accessible system requires a higher education presence of some kind in each community—either tangibly, through a higher education program, or unconventionally, in the form of distance learning technologies. It assumes an appropriate breadth of programs in Montana (or access to programs in other states through WICHE or other interstate agreements) to prepare students for careers consistent with their needs and the state's economic future. It involves sufficient support services to ensure that student access is more than an empty promise. Appropriate support services include developmental courses, student financial aid, academic and career counseling, library resources, and physical access for the disabled, among others.

Access for all students requires an appreciation of their diverse backgrounds. As recognized in a statement on policy recently adopted by the Board of Regents, the state's educational system must strive to assist Native American and other minority students, not only to enroll in postsecondary institutions, but to experience a supportive and challenging environment in which to excel. Our schools must be places that welcome cultural diversity and demonstrate their commitment to the equality of all citizens by reflecting that diversity in their students and the members of their faculty, staff, and administration.

Financial access can be assured through affordable tuition and a flexible system of student financial aid that offers work, grant, and loan opportunities for students of all ages, both full-time and part-time, at all institutions, public, tribally controlled, and private.

Geographic access can be considerably extended through innovative use of existing institutions, telecommunications, and other distance learning technologies. The state's colleges and universities offer a variety of courses and programs delivered away from their campuses. In the future these outreach offerings should be expanded and centrally coordinated. They might include first- and second-year academic courses and selected vocational programs. In some situations it may be possible to deliver certain upper division, or even master's programs on a mobile, as-needed basis.

Telecommunications should be used to deliver educational programs into the public schools. During the school day students in small, remote schools, for example, might study foreign languages, advanced science and mathematics, world literature, history, and culture in courses prepared for these schools in cooperation with the colleges and universities, courses of a nature previously beyond the capacity of all but the larger districts to provide.

Similarly, continuing education and retraining programs might be offered at work sites, in the evenings, on weekends, and during the day for workers given release time to attend. On-site programs in local industries could allow institutions and students to take advantage of state-of-the-art equipment and technology. Appropriate degrees should be as available to students advancing in their occupational fields as they are to students engaged in academic pursuits, and they should not be limited to just the associate degree level.

The alternative to a planned, centrally coordinated approach to off-campus delivery is not acceptable, for that would result in a haphazard pattern of competitive responses, the presence of "turfism," and unequitable access to higher educational services for the residents of many our state's communities.

In our interim report we discussed the state's need to provide students, particularly those who are not able to travel to campuses because of family or job requirements, with access to educational programs. We pointed out that Montana offers a large number of four-year degrees in relation to two-year degrees when compared with other states, a fact that suggests some Montana students may not have sufficient access to two-year programs suited to their needs

To respond to these issues, we suggested in our interim report that the state be divided into districts. Using existing state institutions as area higher education centers in each district, we proposed the centers be responsible for the delivery of educational programs within the district through traditional classes or using new technology. We emphasized the centers were not to be colleges in a traditional sense but delivery systems to both offer and broker educational services, contracting with other public and private institutions as necessary.

The concept of Higher Education Centers generated a great deal of helpful comment, which reinforced our conviction that higher education must reach out to provide educational opportunity and assistance to rural parts of the state and employ new technology and creative approaches for educational delivery. We continue to believe the future will bring an increased need for access to two-year programs. We have now concluded, however, there is another way to address these needs than through the establishment of a system of statewide districting and higher education centers, as suggested in the interim report.

In accord with our present recommendation, the Deputy Commissioner for Academic Affairs at the Board of Regents should assess the educational needs in underserved areas of the state and develop ways of meeting those needs, using existing state resources, telecommunications, and other non-traditional delivery systems. Courses offered through the system's outreach effort should be transferable to units of the system. The present strong off-campus programs delivered by various units should be recognized when fashioning a state system of offerings. Nevertheless, all programs should be coordinated by the Deputy Commissioner to ensure that the larger needs of the state remain paramount.

In developing a statewide outreach delivery system, the particular strengths of vo-tech centers and community colleges must be recognized. The needs of some students may be met more effectively through offerings from these institutions. Even though previous outreach efforts have been directed principally by four-year institutions, the availability of new technology allows the state to include more vocational and two-year program offerings as well.

Similarly, we are mindful of the Coop-

erative Extension Service, which has provided a means of delivery of information throughout the state for many decades. We trust that the experience gained through this program will be utilized by the Deputy Commissioner in developing the educational delivery system.

The Deputy Commissioner should serve both as a broker of educational services and as an innovator to encourage institutions to respond to educational needs in creative, non-traditional ways, for example, by combining telecommunications with weekend or summer studies on campuses. All programs, regardless of how delivered, must be of high quality and meet appropriate academic and accreditation standards.

It is central to the success of a statewide delivery system that the particular needs of students and communities be recognized. A responsive system must provide for the assessment of those needs. To achieve this, we have suggested the creation of regional advisory groups. These groups should help identify local educational needs. Prospective students who are place-bound should be able to obtain information about educational opportunities from the system units in their area or by contacting the Commissioner's office directly through a widely publicized toll-free telephone number.

Although the responsibility for this outreach effort should be placed with the Deputy Commissioner for Academic Affairs, it will be necessary to add an experienced educator and one or two support staff to assist with this important state-wide effort. The Deputy Commissioner should make the greatest possible use of experienced campus administrators to assist in the outreach effort. It is also important that the Deputy Commissioner work closely with the Superintendent of Public Instruction to make the greatest possible use of the telecommunications systems planned for public school districts in the state. Further, the Deputy Commissioner should involve these school districts to identify ways in which the higher education system can help deliver programs for high school students.

Montana has a variety of opportunities to meet needs for two-year programs. Our community colleges, vocational institutions, and four-year institutions can adapt to new demands as they occur. Two of Montana's larger communities, Great Falls and Helena, stand out as not having the same level of access to public two-year or four-year programs as do other communities of comparable size. These communities do have state-supported vocational institutions and four-year private colleges. Improved access for students in these areas could be achieved through public-private partnerships and contracting arrangements between both the private local college and the state's four-year institutions and thus create for these population centers a cost-effective, yet expanded, higher education program. Similar relationships and arrangements need to be explored to assist students who are served by tribal colleges, which presently enroll both Indian and non-Indian students.

We recognize that the expanded educational opportunities we are describing will have to be developed over time. It may also require special funding arrangements or tuition surcharges. Nevertheless, we need to begin immediately with the coordination of existing outreach programs, the exploration and use of telecommunications, and the assessment of the needs of place-bound students. By creatively combining the state's existing educational resources with telecommunications and non-traditional delivery methods, we believe Montana can respond to the increased demand for two-year programs in the years ahead.

We need to begin immediately with the coordination of existing outreach programs, the exploration and use of telecommunications, and the assessment of the needs of place-bound students.

RESPONSIBILITY:

Board of Regents/Deputy Commissioner for Academic Affairs

Legislature

TIMETABLE:

1991: Legislature funds professional and staff position for Deputy Commissioner of Academic Affairs to coordinate System's outreach programs

1992: Deputy Commissioner continues planning and coordinating telecommunications network and institutions; prepares needs assessments for underserved students and communities; and begins implementation of statewide coordinated outreach program

ENROLLMENT LIMITS

4. We recommend that enrollment limits be placed on the University of Montana, Montana State University, and on some programs at other institutions, to reserve them for students who are well prepared to meet the requirements of those institutions and programs. The remaining units of the system should continue to operate with full open enrollment policies.

One mark of an effective system of higher education is its capacity to respond to the differing needs of students. Not all students are interested in, or prepared for, the same educational experiences. For example, some are more able to develop their potential in the environment of a small college; some are challenged by the diversity of a larger university.

An education at an excellent university should be marked by significant academic demands and challenges from beginning to end. Other demands are placed upon students by the very fact that universities are larger places and more diverse in their academic offerings. To impose such conditions on students who are not prepared to meet them invites failure. To adjust the legitimate expectations of the university to accommodate unprepared students weakens the institution and is be unfair to those students who are prepared for, and have a right to expect, a challenging, competitive, university experience.

The needs of students can be better served and the state can employ its educational resources more effectively by reserving Montana's two universities for students who demonstrate their readiness for that educational experience.

Some academic programs in Montana have normally limited their enrollment in recognition that certain levels of preparation are required if students are to succeed. Programs such as teacher education, nursing, and engineering, to name a few, should continue to be limited in this manner.

The university system presently has admission requirements designed to ensure that all entering students possess an acceptable level of preparedness. Assuring adequate levels of preparation for all college students is an important policy. The level of demonstrated preparation to be admitted to the state's two universities ought to be greater than that now in place for all institutions. Such requirements should be developed by the Board of Regents, working in close consultation with the universities and representatives of the secondary system.

A student's readiness should not be determined solely by a single measure such as performance on a standardized examination, successful completion of certain courses, or even prior academic performance. Rather, it should be based on broad criteria that are sensitive to the likelihood that a student may be misjudged by a single measure or not ready for admission at one point but later will be as a result of added life experience or further study. The universities should ensure that access is available to students whenever their readiness is demonstrated. Limits on enrollment must be particularly sensitive to non-traditional and minority student needs, as well as to each institution's commitment to serving Native American and other minority students.

Reserving the state's universities for students with appropriate levels of academic preparation does not foreclose access to an excellent baccalaureate education. Montana's two-year and four-year colleges offer a variety of good opportunities for access and continuation. Other states recognized for their educational opportunity and excellence have found they enhance the experiences for their students by adopting different admissions criteria for different kinds of institutions. With carefully administered admissions requirements, Montana can retain its tradition of educational opportunity while providing a variety of educational experiences.

RESPONSIBILITY:

Board of Regents

Montana university and secondary education communities

TIMETABLE:

1991: Begin process of consultation with university faculty and administrators, Board of Public Education, and representatives of public secondary schools; develop admissions requirements for universities

1992: Complete consultative process and development of admissions requirements

1995: Complete implementation of revised admissions policy

Acceptance of this recommendation requires adoption of a subsequent recommendation (7b) pertaining to the de-coupling of the state's higher education funding formula from enrollment counts, so that resultant enrollment limits at the University of Montana and Montana State University do not jeopardize or reduce their funding support relative to comparable institutions in the region.

EXPANDING RESEARCH AND PUBLIC SERVICE

5a. We recommend the Montana University System maintain and expand its role of research and public service programs to meet the state's economic and community development needs.

5.b.We recommend that the Governor establish a long-range planning council composed of state agency directors, the Commissioner of Higher Education and other appropriate public officials. The council should be charged with the responsibility to anticipate and plan for the state's future. It should involve and draw upon the knowledge of representatives of the private sector. The council should meet regularly, not less than quarterly, to develop and monitor a long-range plan for the state. It also should focus on particular needs and opportunities that may arise, such as the changes in the health care needs of the state that will result from an aging population, or planning for changes in the state's basic industries such as forest products.

Responsiveness should be another hallmark of higher education in Montana. Responsiveness implies a higher education system that is an active participant in all important aspects of Montana economic, cultural, and civic life—a system committed to the well-being of the State of Montana: one that is productively involved in small community development and rural revitalization. It calls for research attuned to the social, economic, and academic needs of the state. It involves a system with the capacity and mission to train Montanans to regard themselves as globally competent individuals with international understanding and perspectives. And it requires programs keyed to economic development, designed to prepare educated workers for rewarding positions, and responsive to the needs of business and the professions.

Higher education's services can extend well beyond the traditional provision of instructional services to students. The value and importance of instruction and research are well accepted, but the persistent needs associated with economic development and rural revitalization in Montana place a new emphasis on the university system—that of public and community service.

Montana's economic and social development creates pressures for closer connections between the academic and public communities. The value of a closer public/higher education relationship has become a prominent theme of the economic development literature. States, industries, and communities increasingly use their resources to contract with institutions for technical assistance. Appropriations for specified institutional assistance to solve social or developmental problems also are becoming more common, following the pattern established by the agriculture extension and research programs. Industry-sponsored research in higher education is increasing. Presently it accounts for more than five percent of university research budgets nationally.

Montana's institutions are increasingly involved in this effort. For example, Montana State University has research programs on advanced materials. Hazardous waste is an area of emphasis at Montana Tech. The University of Montana is developing relationships with the private sector in biotechnology, with funding provided by the Science and Technology Alliance. Campus discussions are forming around issues the institutions must confront if they are to become more fully involved— development of patent, licensing, conflict of interest and technology transfer policies—issues that involve the commercialization of university discoveries through research in return for royalties. Because of the significance of agriculture and related industries to Montana's economy, rural revitalization has assumed a special standing in this state's economic and community development programs. The capacity of Montana, with its educational, industrial, and public resources, to affect the causes of rural decline—resource depletion, international competition, deregulation, and others—is limited. The potential for the higher education community to help residents of rural Montana adjust to the effects of these conditions is enormous.

Responsiveness implies a higher education system that is an active participant in all important aspects of Montana economic, cultural, and civic life.

Rural communities often need education programs to strengthen the management capacities of small business operators; research programs to facilitate local business growth and identify capital sources; educational programs to keep workers and managers abreast of the latest technology in their fields; vocational and technical education, both preparatory and supplemental; surveys of consumer needs to identify the market potential of retail and service outlets; assistance with the renewal of downtown shopping districts; employee training programs to improve the quality of service; counseling and management education for those interested in forming new businesses; education about public assistance programs for the elderly, disabled, and those who cannot work; and many others. Another important rural need involves aspects of a small community's cultural life and includes such elements as recreation programs, touring dance and music groups, art festivals, and the provision of extended degree opportunities through off-campus instruction.

The new significance of public service programs also could have a positive effect on the reward systems for faculty. Tenure, promotions, and salary increases might be more frequently made on the basis of the specific conditions of a faculty member's appointment and assignment. Not only could excellence in teaching be recognized, but the evaluation of faculty members whose work involves applied research, technical assistance to communities, or economic development might rest on how well these assignments are fulfilled.

With improved role and mission definition, all of the public colleges and universities could be involved in collaborative programs of economic assistance and rural revitalization. Working in a coordinated way through the Commissioner's office the system's units could offer customized education services and programs of technical assistance to local industries and communities, frequently at the work site, perhaps in local schools during the evenings, weekends, and summer months.

The roles that colleges and universities can assume with respect to economic development include providing relevant educational programs, continuing education, professional development, and extension programs aimed at achieving a skilled work force, retraining and professional updating opportunities, and lifelong learning. Economic research and analysis represents still another role, encompassing such services as assembling and analyzing information for improved state and local decisions and strategies.

Public and private partnerships will play an important part in Montana's economic future. Research, basic and applied, and technology transfer can contribute to industrial advances, new production processes, and new products and services. Colleges and universities can assist with new business development through business incubators, research parks, financing programs, identifying appropriate value-added industries, and entrepreneurial training with the objective of creating new firms, new jobs, and an expanded tax base.

Montana's higher education institutions represent substantial combinations of intellectual resources sustained by regular infusions of public revenues. The public wants them involved. In our survey, 81 percent agreed that the state's colleges and universities should be involved in economic development activities to help the state and its rural communities. We strongly recommend that Montana's higher education institutions actively seek opportunities to assist state and local projects rather than retaining a passive relationship in the fulfillment of their public service responsibilities.

When we examined the relationship between post-secondary education and Montana's economic future, we were struck by the historical absence of coordinated long range planning at the state level. Individual state agencies forecast future trends in Montana's basic industries, its future work force needs, social service needs, and so on. Many of Montana's businesses engage in the same type of planning and forecasting. However, the state needs a coordinated effort to assess and address its economic, labor, social and educational needs. Only through coordinated, long-range planning can the state take maximum advantage of the work of individual efforts in both the private and public sectors.

The higher education system must be part of that forecasting and planning effort if the system is to fulfill its mission effectively. Vocational institutions must be able to adapt to changing needs for worker training. To respond to new demands for professionals in such diverse fields as health care, engineering, or biotechnology, a great deal of planning and resource allocation is required by colleges and universities.

These goals can only be achieved through a system that is operated efficiently and popularly perceived as such. Efficiency presumes the presence of full coordination. The Governor, Legislature and Board of Regents share the responsibility to create a truly unified system of higher education that will serve Montana now and well into the next century.

Working together with other state agencies and the private sector, Montana's higher education system should be actively committed to the state's economic success and vitality, prepared to devote attention to the educational, technical assistance, entrepreneurship training, leadership instruction, telecommunications and capital formation assistance needs of the state's communities. The state's colleges and universities should be dedicated to the enhancement of Montana cultural life and shaping an environment in which people will want to come and live.

Higher education in Montana can achieve unprecedented levels of community involvement and social responsiveness and in doing so inspire pride and support among Montanans in their higher education system.

RESPONSIBILITY:

Governor

Board of Regents

TIMETABLE:

1990: **Board of Regents** collects information on the system's direct involvement with the State's economic, social and cultural development

Governor establishes a state long-range planning council

1993: **The Board of Regents** reports to the Legislature its long-range plan for the system's involvement in the state's economic and community needs

The Governor's Long-Range Planning Council initiates a formal forecasting and planning process from a statewide perspective

Montana's higher education institutions represent substantial combinations of intellectual resources sustained by regular infusions of public revenues. The public wants them involved.

PUBLIC HIGHER EDUCATION MANAGEMENT AND BUDGETING

6.a.We recommend that the state's units of higher education be managed and funded as a single unified enterprise.

Montana needs a system of higher education, not merely a collection of separate units. Only with an integrated system can the state provide a full range of educational opportunities for students and use its educational resources efficiently and effectively. To achieve true system unity requires a different approach to management and budgeting.

Higher education governance in Montana is presently inhibited by palpable levels of distrust and antagonism, particularly in relations with the legislative branch. Such tensions are counterproductive. Our discussions with experts in the field convince us that lasting solutions for Montana do not lie either in transplanting governance structures from other states or in simple remedies that lack permanent value. Our recommendations, therefore, build on the system we have, adding elements intended to address particular concerns respecting Board of Regents authority, communications, and management.

The Commissioner of Higher Education should maintain an executive and supervisory relationship over the unit presidents and directors and be the chief spokesperson for the system. The Commissioner should have general responsibility for managing system matters. Neither the Commissioner nor the Board, however, should be involved in day-to-day campus operations; they should not attempt to micro-manage the institutions.

The Board of Regents must be composed of individuals who are distinguished in their fields and who are knowledgeable about the issues facing the state and higher education. They should be people with statewide perspectives.

The Board should operate with advisory groups that report directly to it; perhaps one to implement this Commission's plan, another to assist with facilities planning. These could be ad hoc task forces or more permanent policy advisory committees, on which legislative and executive members and key regents would serve.

Strategic planning for the system should be conducted on a permanent and regular basis by the Board. Tactical planning directed to the study of such issues as demands in nursing and the health care professions, should occur on an ad hoc basis. For example, the Board of Regents and the Board of Public Education should empanel a joint committee to undertake a review of prominent trends in teacher education and prepare recommendations to both boards on the direction Montana public institutions should take to ensure the highest quality preparation for teachers.

When the Board must consider specific actions that would add, curtail or eliminate programs that have a statewide significance, its decision processes should include early consultation with the Governor and the legislative leadership through the Higher Education Conference Committee.

The Board of Regents also should maintain an ongoing program to ensure the quality of the state's institutions. Each unit in the system should be able to demonstrate excellence in its fundamental activities. The Board should define its expectations for institutional quality and identify the kinds of measures it expects institutions to use in assessing it. Such information should be widely distributed so that potential students, faculty applying for positions, and the general public may know how well colleges and universities are accomplishing their objectives.

Emphasis should be placed on upgrading the attractiveness of Montana's colleges and universities to outstanding present and future faculty members. We are in a highly competitive market for faculty. Over the next two decades, as our colleges and universities replace a majority of their faculty through normal turnover and retirements, a strategy to recruit and retain the best faculty available should be devised and adopted. Particular attention should be paid to attracting women and minorities, especially Native Americans, as teachers and administrators in the system.

As a group, new faculty should have exceptional instructional skills, be able to attract substantial external research support, and be prepared to lend their expertise to addressing Montana's social and economic problems. Greater differentiation in faculty assignments than at present should occur, with some primarily committed to teaching, some emphasizing research, and some involved in public service. Faculty evaluation systems should be flexible, recognizing the individual faculty member's particular skills and assignment.

Faculty also should be supported in their professional development. Institutions should place special emphasis on effective teaching through the provision of incentives to stimulate innovative approaches to teaching and learning and to disseminate the most promising ideas.

Finally, institutional excellence should be spurred through a process that gives greater emphasis to the measurement of results. The state also should encourage the Northwest Association to consider outcomes measures.

Comprehensive statewide planning for higher education also could be brought to a much higher level of effectiveness through the formation of a well-designed data collection system that values responsiveness to legislative, executive, and public needs. Arrangements to facilitate a meaningful continuing relationship with the executive and legislative branches of government also should be in place. Expanded inter-institutional collaboration and coordination should be a prominent feature of the system. An effective process for facility planning and utilization should be maintained.

Montana's higher education system should be distinguished as a system that promotes unity, a shared statewide sense of ownership, a positive, mutually supportive relationship between units, and faculty and staff communicating and working for common system goals. It should recognize the presence of and rely upon the resources of the vocational centers, the private institutions, community colleges, and tribally-governed colleges. It should be operated in a flexible manner, focused on educational results, committed to maximum transferability, and connected with the secondary educational system in a mutually reinforcing way.

6.b.We recommend that the Board of Regents prepare and submit a single budget proposal to the Legislature and be made responsible for allocating appropriations for the system.

To accomplish these goals the Board of Regents should exercise its full responsibility for the management of the Montana

University System. Improved relations between the Board and the Legislature are crucial to the future of higher education in Montana. Only if the Legislature allows the Board to manage both the academic and fiscal affairs of higher education can the state develop a true system. Legislators are bound to disagree with Board decisions from time to time, particularly if those decisions adversely affect a unit in their home districts. To the extent this disagreement is expressed in line-item budgeting or fiscal retaliation, it promotes regionalism rather than unity, and in the end both the state and students suffer.

For funding purposes, the Board should provide a detailed budget to the Legislature. While retaining final authority over the system budget, the Board should remain cognizant of recommendations, priorities, additions, and deletions made in the legislative budgetary process. The budget funded by the Legislature should serve as the basic guide for operations within the biennium. Significant deviations from the budget, while probably an inevitable result of biennial budgeting, should involve consultation with and discussion on the Planning and Budgeting Committee recommended below.

A governing principle for Montana's higher education system should be that while governors and legislators may disagree with decisions of the Board of Regents, they must respect the right and responsibility of the Board to make them. At the same time, the Board must provide clear, accurate and timely information regarding the system's programs and use of its funds. The Board must ensure that its decisions are fully explained and conveyed with sufficient assurances of responsiveness to the Governor, the Legislature, and the public.

6.c.We recommend that the Board of Regents and the Legislature establish a Higher Education Planning and Budget Committee composed of four regents chosen by the Chairperson of the Board and four legislators, two from each party and each legislative body, to be selected by the President of the Senate and the Speaker of the House, respectively. This committee should meet regularly, but not less than each quarter, to maintain effective communication between the higher education system and the legislative branch.

Working through the Higher Education Planning and Budget Committee, the Board and legislators should review the budget for the system and consider the need for new programs or the curtailment of existing programs. Only by working cooperatively can the Board fulfill its responsibility to manage the higher education system and the Legislature fulfill its responsibility for fiscal accountability and oversight.

RESPONSIBILITY:

Governor

Legislature

Board of Regents

TIMETABLE:

1990: Legislature and Board of Regents informally establish Higher Education Conference Committee to prepare for the 1991 legislative session

Governor and Board of Regents present to the Legislature their budget requests to receive a single appropriation for the system

Board of Regents adopt a job description for the Commissioner of Higher Education as the chief executive officer for the system

1991: Legislature and Board of Regents formally establish Higher Education Planning and Budget Committee

Legislature appropriates a single sum to the Board of Regents for the operation of the Montanan university system

Board of Regents initiates a formal, long-range planning process for the higher education system

Ongoing Board of Regents updates the research and service portion of the system's long range plan and reports to each legislative session

Improved relations between the Board and the Legislature are crucial to the future of higher education in Montana.

HIGHER EDUCATION FUNDING

7.a. We recommend that the Legislature adopt as state policy the funding of Montana institutions at no less than the average of peer institutions. If budget restrictions reduce the level below the average of the peers, institutions should be required to limit new admissions or otherwise restrict enrollments to the point necessary to ensure maintenance of the average as a minimum support level. Enrollment reductions in the system should be made without funding penalty until the support level reaches the average of the peer institutions.

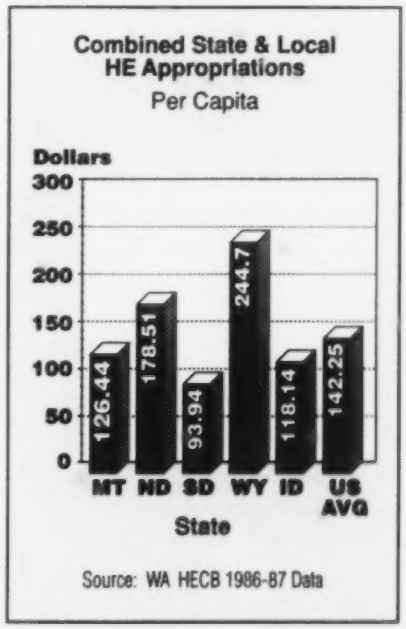
Montana's higher education system should be widely recognized for its excellence. Only then can Montana's institutions attract outstanding faculty, compete for research grants and contracts, and provide Montana students with credentials that will open opportunities for them in an increasingly competitive world.

The state's economic downturn of the last nine years has crippled our university system's ability to compete even regionally, much less nationally. In 1986-87, the most recent year for which comparative data are available, Montana ranked 45th in the nation in terms of state and local tax appropriations per full time equivalent (FTE) public institution student. Montana appropriations averaged $3,987, well below the national average of $5,086. All of its regional neighbors except South Dakota ($3559, 48th) ranked higher than Montana on this scale: Wyoming, $7,335 (3rd); Idaho, $4,516 (30th); and North Dakota, $4,090 (42nd). The national average figure is 27.5 percent higher than Montana's.

In order to match the national average level during that year, the state would either have had to increase total appropriations 27.5 percent while holding enrollments constant, or it would have had to reduce FTE levels by 7500 students. This would be approximately equivalent to closing either one of the universities or closing Eastern, Northern, and Western Montana Colleges, together with Montana Tech, and not allowing the students there to transfer to the universities or to any other schools in the system.

In terms of higher education support on a per capita (state population) basis, the state ranks 30th, nationally, with $126.44 per capita appropriated for higher education. Montana is well below the national average of $142.25 on this measure. (Fig. 7)

Figure 7



Finally, when everything is taken together, state and local appropriations and student fees—Montana drops to 48th place on the national rankings. In this case, the per FTE figure is $4,968. The national average is $6,364. The difference is again at 28 percent, and the range of funding increase or reduction in FTE levels to reach parity also about the same. Montana's regional neighbor states are compared in Figure 8. In the nation, only South Dakota and Oklahoma are below Montana on this scale.

Montana also ranks last among the states in per student need-based state financial aid awards. The average 1989-90 grant in Montana was $321. The national average was $1,171. Montana ranks below Puerto Rico ($457) and all of the neighboring states: Wyoming ($454), South Dakota ($336), North Dakota ($606), and Idaho ($430).

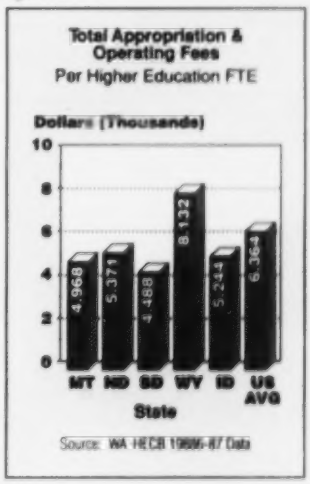
The system is underfunded in comparison with other states for the number of students it serves. The state is attempting to provide a quality education for its students at about three-quarters of the national average figure. Montana higher education probably receives its fair share of total state revenues, but state higher education funding levels are below regional and national averages on almost every scale.

Measuring adequacy is an important concern. In this respect the Legislature and the Board of Regents have identified a set of comparison institutions in the Rocky Mountain West, and adequacy is defined as attaining the average level of funding among these comparison, or "peer" institutions. According to the Legislative Fiscal Analyst, Montana State University, the University of Montana, and Montana Tech are currently funded at approximately two-thirds of the average of their peer institutions in other states (1987 figures). Our other state schools tend to do slightly better. Eastern was funded at 84 percent, Northern at 92 percent, and Western at 75 percent of their comparison institution averages.

The state is attempting to provide a quality education for its students at about three-quarters of the national average figure.

The results of funding shortfalls are apparent in a number of ways. Faculty salaries are in a chasm. Montana public four-year institution faculty salaries for 1987-88 averaged $29,684, compared with a national average of $37,903. Montana and South Dakota share the negative distinction of ranking 49th and 50th in the nation on this scale.

Figure 8



Faculty recruitment is a serious problem. Although our state universities may be able to compete in some fields for novice faculty who are just completing their graduate studies, the typical pattern is one in which these people acquire experience in Montana universities and colleges, then are recruited by institutions offering significantly higher salaries. A particularly demoralizing situation occurs when recently qualified faculty must be offered greater salaries than we pay to senior professors

who have spent their careers teaching Montana students. Almost certainly for these reasons, the state has recently experienced a faculty turnover rate that is three times the national average.

The problems are likely to exacerbate over the next ten years, as a large number of faculty at our institutions and across the country reach retirement age at the very time when competition for both new and experienced professionals is expected to intensify nationwide. Half the University of Montana faculty are expected to reach retirement age in the next ten years. Most experts agree a crisis is forming.

Other indicators of slippage include library support—we are advised that the University of Montana has not subscribed to a new journal in eleven years. At Montana State the number of actual volumes held as a percentage of the College Library Standard of the Association of College and Research Libraries is 50 percent. The number of librarians available equates to 68 percent of that standard.

Still other problems include tenuous accreditation in many important programs, constrained instructional equipment acquisition and repair, limited course offerings, and delayed student graduations because of lack of opportunities to schedule required courses. We also are advised that deferred maintenance over the past ten years on facilities amounts to $30-$50 million, including the need to deal with problems of asbestos abatement and building access for the disabled.

We are convinced that if the system continues to operate at such levels, the adverse consequences will be profound and enduring.

The state needs to change both its level of funding and the method it uses to develop the system's budget. The use of formula funding to distribute legislative appropriations has created two major problems. First, individual campuses have had to resort to extensive and divisive recruitment campaigns as the most viable way of attracting more revenue in legislative appropriations. Second, when program eliminations within the system have been required, formula considerations have dominated those decisions, resulting in the elimination of high cost-per student programs. Program eliminations should not be decided on the basis of a formula but should be based on statewide needs.

The present budgeting formula is theoretically designed to provide a level of funding for Montana institutions comparable to the average of peer institutions. In recent years, however, the formula has not been fully funded; the two universities and Montana Tech recently received only two-thirds of what the formula indicates they should receive.

One way for the system to maintain institutional quality in the face of decreasing state funding is to reduce the number of students served. Under our present budgeting procedure, however, that only makes a bad situation worse, since if enrollments decline, the units receive an even smaller appropriation. Again, instead of cutting back services to respond to reduced appropriations, the present funding system encourages institutions to recruit even more students. The result has been encouragement of unhealthy competition among units for students, the creation of an incentive to emphasize the number of students admitted to programs rather than protect the quality of those programs, and a downward spiral of the per-student support levels. This also is why, as noted earlier, it is important to hold the two universities financially harmless if enrollment limits are adopted, a point noted earlier.

Funding must be sufficient to sustain a safe, resourceful, and well-maintained physical plant and infrastructure, without deferred maintenance, which in the long run only costs the state more.

Maintaining a level of funding equal to the average of peer institutions in the region should be viewed as the bare minimum. Indeed, many suggested during the discussions associated with the interim report that Montana should fund its higher education units at a level comparable to the upper quarter of the nation's public higher education institutions. This is a worthy goal; it is important to the future of the state that some of its programs and institutions aspire to a national level of competitiveness. In this respect, additional funding should be made available to enhance particular programs designated as areas of excellence by the Regents or the Legislature. Similarly, additional funds should be appropriated when new responsibilities or roles are assigned to the system.

The state has recently experienced a faculty turnover rate that is three times the national average.

RESPONSIBILITY

Governor
Legislature

TIMETABLE

1990: Governor and Legislature endorse a state policy of maintaining for Montana institutions, as a minimum, a funding level equal to the average of peer institutions in the region

7.b.We recommend a five-year program to restore adequate funding for the higher education system

Because of the serious erosion in funding higher education over the last nine years, Montana is faced with a substantial challenge to restore system health. To bring all of the units to their current peer institution averages would require an increase of approximately $45 million over the present funding base. Over 82 percent of the additional funds would be needed just to bring MSU and UM to their comparison institution averages.

We recognize it is impossible to immediately achieve an increase of this magnitude; nevertheless, we strongly believe the state has no more than five years to restore the system's fiscal health before even more serious and lasting consequences occur. Therefore, we recommend the Legislature and Board of Regents work together to ensure that in each of the next five years specific bench marks are attained so that by 1995 Montana's institutions will have been restored to at least an average position in this region.

We strongly believe the state has no more than five years to restore the system's fiscal health before even more serious and lasting consequences occur

This target can be achieved through increases in state funding, increases in student tuition, the elimination of educational opportunities for some students, reduction in the numbers of students served, or a combination of these methods. We recommend that the primary support for education continue to come from the state's general fund and that Montana maintain its tradition of encouraging access to education by affordable tuition levels. We specifically do not recommend that the state place the fiscal side of its educational house in order by closing the door to students.

In each of the next five years, the Legislature should increase funding levels for the system by approximately equal fixed percentages so that average peer funding is achieved by 1995. If in any year the system does not receive that percentage increase, the Board of Regents should then take immediate steps to eliminate students from the system in sufficient number to achieve the target percentage of per-student support for that year.

Again, we emphatically do not support a position that peer funding be achieved by eliminating students from the system, and we emphasize that such cuts in enrollment would be painful to some students and families, some parts of the educational system, and even some parts of the state. Even so, as harmful as enrollment reductions would be, in the long run they would be less damaging overall than would be the alternative of continuing to erode educational quality in an effort to serve as many students as possible. In that environment, the one in which we are now operating, everyone loses.

Montanans are sensitive to the problem that exists in higher education funding. In our public opinion poll a majority indicated they were willing to pay higher taxes to maintain the postsecondary programs and institutions the state presently has (those expressing such an opinion represented 60 percent). A similar proportion agreed that faculty salaries are too low (59 percent). A very high percentage felt that if the choice had to be made between convenient access and program quality, taxes should support quality (93 percent). A majority also supported paying higher taxes to ensure a system that would be competitive in quality with neighboring states (66 percent). Fifty-two percent indicated they would pay higher taxes to increase funding so that all students who want to could enroll. Few, 22 percent, were willing to control enrollment in order to control costs and maintain present funding levels, and very few, four percent, were willing to reduce student enrollment even more to reduce funding needs. Finally, the option of limiting the total number of students who could be enrolled in the system was ranked last among the choices for cutting costs.

7.c.We recommend that the state restore the policy of providing 65% of the per-student instructional funding for Montana's community colleges.

Montana's community colleges provide an important service to students and the state, with local communities assuming a portion of the cost. Originally community colleges instructional budgets were supported at a ratio of 65% state funds to 35% local. As pressures have increased on state budgets this ratio has shifted to require more and more local support. In recognition of community colleges' service to the state, to maintain their quality, and ensure programs to meet the increasing need for two-year institution enrollments in the future, we recommend a return to the state policy of providing 65% of the per-student funding. Return to this level of state participation also will require a phasing program similar to the one we recommend for the four-year units in the preceding recommendation.

We specifically do not recommend that the state place the fiscal side of its educational house in order by closing the door to students.

RESPONSIBILITY:

Governor

Legislature

TIMETABLE:

1990: **Governor** endorses a policy of ensuring that Montana higher education institutions achieve a level of funding at least equal to the average of their peers in the region not later than 1995

1991: **Legislature** adopts a funding method five year schedule and appropriates first stage of funding so all Montana institutions will attain a level of funding at least equal to the average of their peers by 1995

1995: **All Montana higher education institutions achieve average level of peer funding**

REVENUE ISSUES

Funding increases are likely to require revenue increases. We do not recommend any particular source of state support. We must note, however, that Montana ranks last among the states in terms of tax dollars paid by individuals. The figure for Montana is $390 per capita. The next state above Montana is Alaska, with $454. Minnesota ($1,028), Wisconsin ($1,060), Massachusetts ($1,073), Hawaii ($1,163) and New York ($1,266) rank highest in this order.

In terms of total state and local tax collections per capita, Montana ranks 30th. It ranks 12th in total tax collections per $1,000 of personal income. Montana is about average in total tax collections per capita but is the lowest in the nation in tax payments by individuals. The difference is largely accounted for by tax collections on natural resources, a tax source not available to all states. The taxation of the extraction of natural resources has allowed Montana to maintain a low tax burden on individuals. If Montana had tax rates across the board that were "average," it would rank 36th in per capita tax collections because of its lower than average incomes and property values.

Montana tax rates produce only 84 percent of the revenue produced from national average tax rates. These factors, a low tax base and reductions in the value of natural resources extracted in Montana, have combined over the last nine years to create the erosion of funding for Montana institutions of higher education as compared to their comparable institutions in the region.

Another revenue source for higher education is student tuition. There is not much public support for tuition increases. Only 34 percent of those participating in our poll agreed with the statement, "A larger share of the education costs should be paid by the students and their families through higher tuition and fees." Undergraduate tuition in Montana universities, $1296 (1988-89), is less than the national average ($1828), less than North and South Dakota ($1472 and $1709, respectively) and slightly more than the western region average ($1282). It is higher than Wyoming ($833) and Idaho ($1048). There may be some latitude here, but tuition increases will not solve the problem. If Montana's undergraduate tuition rates were raised to the national average, an increase of $532 or 43 percent, about $18 million per year would be realized. While there is a difference between tuition costs and general living costs, tuition expenses represent about a third of the total costs of attending college, and such an increase would create a heavy additional burden for many students and their families.

Additional revenue might be gained by increasing non-resident tuition rates to the regional average (from $3068 at the universities to $4,920). Since there would probably be some non-resident enrollment decrease if this were to occur (although a regional average rate would mitigate that effect) any estimate of increased revenues from this source would be speculative.

Tuition increases also create further questions about the sufficiency of student financial aid, questions that should be considered in any case. The incredibly small amount of student financial aid available through state funding forms a remarkable characteristic of the Montana system.

In the end, the state is receiving high productivity from its post-secondary institutions, but in terms of adequacy and quality, major components of the system are teetering on the brink of a crisis. We are deeply concerned that the system will not be able to continue to meet present needs in an acceptable and reliable fashion. We are convinced that without deliberate change in the form of increased funding support to at least the average of comparable institutions in the region, the system will not be able to offer a high quality education for Montana students, much less exert a positive force in shaping Montana's social and economic future.

The state is receiving high productivity from its post-secondary institutions, but in terms of adequacy and quality, major components of the system are teetering on the brink of a crisis.

IN CONCLUSION

Montana is at a crossroad. We are in danger of becoming a regular tenant of the bottom rankings of the nation's comparative higher education efforts. The possibility that this will happen represents one road in the 1990s and beyond.

A second road forms from the vitally important need for the people of Montana to respond to rapidly unfolding opportunities for economic and social progress. This will require an active and healthy higher education system, qualities that cannot endure in an environment characterized by signs of advanced erosion.

We actually have three options. The first is passive, continuing with the status quo. This option, however, does not imply stability. Rather, maintaining the status quo is a downward slide, as Montana's higher education system skids further below acceptable levels of quality. The second option is essentially a negative one: decreasing service by sharply reducing higher education enrollments. Such a reduction would be unacceptable to the people of this state and would move Montana back from the starting line in the race to the 21st Century.

To meet the challenges of the future, Montana needs and deserves a unified higher education system focused on educational outcomes and committed to serving the state, one that is adequately funded and recognized for excellence.

In this report we have outlined and recommend a third course.

The Governor directed us to visualize a future for higher education in this state in the context of a need to ensure access, quality, accountability, and affordability, and to think about research and public service in terms of economic development for Montana. We have tried to do so.

Our recommendations center upon a single theme: to meet the challenges of the future, Montana needs and deserves a unified higher education system focused on educational outcomes and committed to serving the state, one that is adequately funded and recognized for excellence.

This unified system can be achieved only through the combined efforts of the Legislature, the Governor and the Board of Regents, and with the overall support of the people of our state. Without the development of a system, Montana cannot achieve the maximum benefit from its educational resources, and our students and taxpayers will lose. Several of our recommendations presume the existence of a system with a unified budget, effective central management authority, and communication and cooperation among faculty at the various institutions. Unless these recommendations are adopted, other recommendations, such as a statewide educational outreach program, cannot work.

We have recommended the state develop an increased focus on educational results in terms of students' knowledge and abilities. We have called for greater integration and coordination with the public school system. We also have called for new educational opportunities for rural Montana through the use of telecommunications and distance learning technologies. We have recommended limiting enrollment at our two universities to well-prepared students. We have emphasized the importance of linking the educational system with the state's economic, social and cultural development. Our recommendations on funding and governance represent the means by which the higher education system can achieve educational excellence and basic levels service to all Montanans.

Some of the changes we propose will require very modest additional funding. For the remainder, simply adequate funding—bringing Montana's institutions to their appropriate place among their peers in neighboring states—would permit them to be realized in the future.

The more we have learned about higher education in the State of Montana, the more impressed we have become with both the magnificent resource it represents for the future and the intensity of the problems it faces today. The future will place even more demands upon the system. We have sought to find ways this can be accomplished without exceeding the state's capacity to do so.

We hope the vision and recommendations we have outlined will allow Montana to build upon the strengths of higher education, address its present problems, and bring about a promising future for the people of this state.

APPENDIX

The Institutions

Montana has a variety of postsecondary institutions: public and private, four-year and two-year, academic and vocational.

The state operates six public baccalaureate-granting institutions (the figures in parentheses refer to Fall, 1989 headcount enrollments):

Eastern Montana College (Billings, 4,055)

Montana College of Mineral Science and Technology (Butte, 1,772)

Montana State University (Bozeman, 10,251)

Northern Montana College (Havre, 1,758)

University of Montana (Missoula, 9,679), and

Western Montana College of the University of Montana (Dillon, 991).

Community colleges in Montana include three institutions that are jointly state and locally operated:

Dawson Community College (Glendive, 592)

Flathead Valley Community College (Kalispell, 1,758), and

Miles Community College (Miles City, 587).

Montana also has six independently-governed baccalaureate-granting institutions:

Carroll College (Helena, 1,351),

College of Great Falls (Great Falls, 1,186),

Rocky Mountain College (Billings, 769),

Yellowstone Baptist College (Billings, 24 [Fall, 1988]),

Montana Bible College (Bozeman, 13), and

Montana States Baptist College (Great Falls, 23).

Several other community colleges are tribally owned and operated:

Fort Peck Community College (Poplar, 216),

Fort Belknap College (Harlem, 118),

Little Big Horn College (Crow Agency, 207),

Stone Child College (Box Elder, 139),

Blackfeet Community College (Browning, 317),

Dull Knife Memorial College (Lame Deer, 223), and Salish Kootenai Community College (Pablo, 712).

Five state-operated vocational centers complete the list:

Helena (732)

Missoula (598),

Butte (362)

Great Falls (719), and

Billings (315).

Selected Statements about State-supported Postsecondary Education in Montana

Response Summary (n=401)

Access

1. Montana's postsecondary education system should provide all the undergraduate and vocational programs Montanans want, so they don't have to go out of the state.

Agree	74%
Disagree	25%
No Opinion	2%

2. There should be "open door" admissions in the four-year colleges, so that students who are not as well-prepared academically may have a chance for such education.

Agree	68%
Disagree	28%
No Opinion	3%

3. There should be enough four-year colleges and universities throughout the state so that travel distances are reduced to insure that all students have convenient access.

Agree	52%
Disagree	43%
No Opinion	5%

Cost

4. I'm willing to pay higher taxes to maintain the postsecondary programs and schools we have now.

Agree	60%
Disagree	36%
No Opinion	4%

5. A larger share of the education costs should be paid by the students, and their families, through higher tuition and fees.

Agree	34%
Disagree	61%
No Opinion	6%

Funding

6. Salaries for teachers in Montana's postsecondary schools are generally too low.

Agree	59%
Disagree	18%
No Opinion	22%

7. Some local tax funds should be used in all postsecondary schools, because the people in the communities where the schools are located receive extra benefits.

Agree	74%
Disagree	18%
No Opinion	8%

8. All the tax funding for the postsecondary schools should come from state revenues only, instead of also using local tax funds for some of the units.

Agree	39%
Disagree	51%
No Opinion	10%

9. Montana's postsecondary teachers are paid quite a lot of money for the work they do.

Agree	18%
Disagree	50%
No Opinion	32%

Number of units

10. Montana is currently supporting too many units of postsecondary education.

Agree	36%
Disagree	44%
No Opinion	20%

Quality

11. If we have to choose between convenient access to programs throughout the state, and the quality of the programs, prefer to spend my taxes on quality education.

Agree	93%
Disagree	4%
No Opinion	3%

12. I'm willing to pay higher taxes to ensure an educational system that is competitive in quality with our neighboring states.

Agree	66%
Disagree	29%
No Opinion	5%

Role/scope

13. Attending a community college is a good way for a person to begin his or her college education.

Agree	85%
Disagree	12%
No Opinion	3%

14. Montana's colleges and universities should be more involved in economic development activities, to help the state and rural communities.

Agree	81%
Disagree	9%
No Opinion	10%

15. Montana should invest in telecommunications and off-campus delivery systems in order to increase the access to postsecondary education for people in rural areas who cannot easily get to the schools.

Agree	68%
Disagree	24%
No Opinion	8%

16. There is unnecessary duplication in undergraduate degree programs among some of the colleges and universities in Montana.

Agree	48%
Disagree	18%
No Opinion	35%

17. All vocational-technical courses and programs should be offered only at the votech schools, and the other education programs should be handled by the colleges and universities.

Agree	52%
Disagree	38%
No Opinion	10%

18. Eliminate any vocational-technical programs that have very few job opportunities in the state.

Favor	57%
Oppose	36%
Undecided	7%

19. Raise the minimum admission standards for the two universities.

Favor	51%
Oppose	40%
Undecided	9%

20. Eliminate undergraduate professional programs that have very few job opportunities in Montana.

Favor	49%
Oppose	42%
Undecided	10%

21. Eliminate some undergraduate degree programs.

Favor	39%
Oppose	42%
Undecided	19%

22. Close one or more of the postsecondary schools.

Favor	35%
Oppose	57%
Undecided	8%

23. Eliminate all nondegree courses or programs, including "enrichment" courses.

Favor	28%
Oppose	58%
Undecided	14%

24. Eliminate graduate programs that are readily available in nearby states.

Favor	23%
Oppose	64%
Undecided	12%

25. Limit the total number of students who can be enrolled in the entire postsecondary system.

Favor	22%
Oppose	70%
Undecided	8%

SOURCE Survey of Montana public opinion, March 1990 (University of Montana, Bureau of Business and Economic Research, 1990).

EDUCATION COMMISSION
FOR THE
NINETIES & BEYOND

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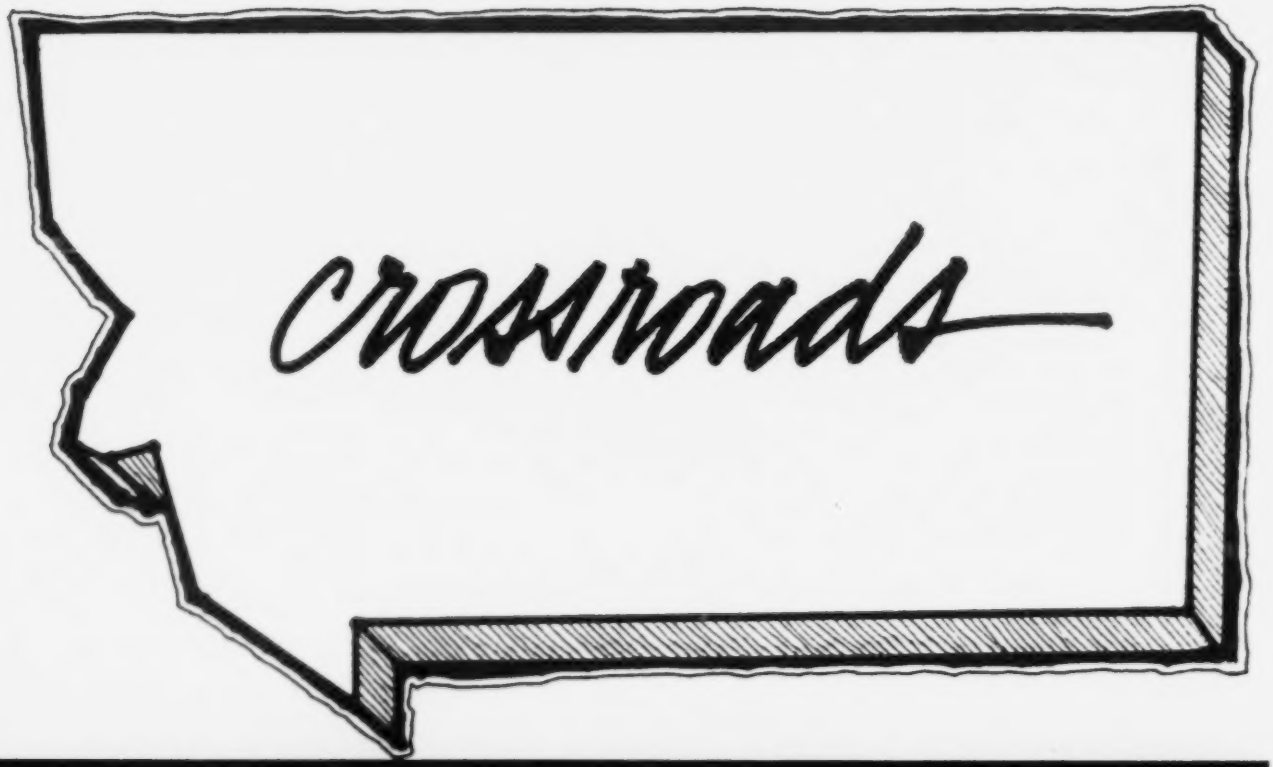


Montana's Higher Education in the Nineties and Beyond

This publication is a condensed version of *Crossroads: Montana's Higher Education in the Nineties* by the Montana Education Commission for the Nineties and Beyond. The Montana University System prepared this publication.

For a copy of the entire report write: **Crossroads, Commissioner of Higher Education, 33 South Last Chance Gulch, Helena, MT 59601.**

Montana is at a crossroad. We are in danger of becoming a regular tenant of the bottom rankings of the nation's comparative higher education efforts. The possibility that this will happen represents one road in the 1990s and beyond. A second road forms from the vitally important need for the people of Montana to respond to rapidly unfolding opportunities for economic and social progress. This will require an active and healthy higher education system, qualities that cannot endure in an environment characterized by signs of advanced erosion.

A Summary of the *Montana's Education for the Nineties and Beyond* Final Report and The Montana Board of Regents' Response to the Recommendations

On September 12, 1989, Governor Stan Stephens issued Executive Order Number 22-89 establishing the Education Commission for the Nineties and Beyond and instructing us, the fourteen members of that committee, to visualize the future needs of the people of this state with respect to all aspects of higher education in a context of concerns for quality, access, accountability, and affordability.

The Governor's order also directed us to see economies in the overall structure of higher education; to consider ways of addressing capital construction and maintenance needs; to identify and prioritize the needs of research and public service; and to recommend means of financing these priorities with respect to stimulating economic development for Montana. Finally, we were obliged to present a report with our recommended actions to the governor and Board of Regents by October 1, 1990.

In our response to this mandate, we have operated within the framework of five central assertions:

- Progress in the development of Montana's prosperity is dependent upon high quality postsecondary and higher education systems;
- Persistent economic conditions have created funding problems for these educational sectors;
- Long-range planning is vital to ensure that higher education continues to meet the needs of Montana's citizens;
- People in the state desire opportunities for their children to be educated and live and work productively in Montana;
- The citizens of Montana display a strong desire to re-examine and, if necessary, re-conceptualize their educational systems.

Our recommendations are intended to accomplish a single unified system of higher education, with:

- ✓ one consolidated budget
- ✓ a central management authority
- ✓ a funding system that minimizes harmful inter-unit competition
- ✓ a coordinated effort for educational outreach
- ✓ an unhampered capacity for students to transfer among institutions.

Without the development of such a system, Montana cannot achieve the maximum benefit from its educational resources, and out students and taxpayers will lose.

A Brief Background of Montana's Needs for High-Quality Higher Education

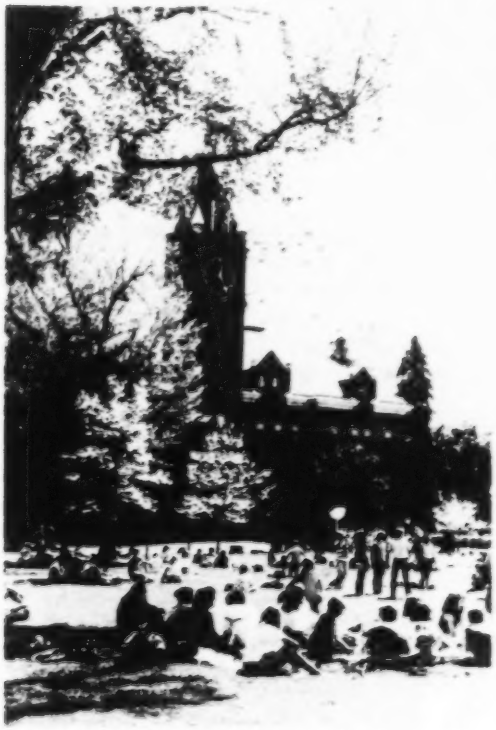
"We firmly believe that the state must employ all of its educational resources in its efforts to position itself for a positive entry into the 21st century. Montana is at a crossroad, but whichever road it chooses, it cannot pursue the present route: Hard choices await us. These choices must be confronted."

—Members of the Education Commission for the Nineties and Beyond

It is worth noting that the year 2000 signifies more than the end of the 20th century and the onset of the 21st. Rather, it symbolizes the end of the second millennium and the beginning of the third. Traditionally, the concept of the millennium has stood as a metaphor for the future, the advent of a golden age, a time to close the door on the past and embark on a new era.

The thought is apt. Certainly not in recent history have Montana and its sister states found themselves in such a period of social and economic change.

Montana has been both caressed and buffeted by the national and international influences. As the state enters its second century, it faces a test of whether it can build a first-rate economy with the capability of competing in the new global marketplace. Complaints about barriers to foreign markets notwithstanding, the economic playing field is more level than ever.



The Oval, with University Hall at one end, is the center piece of campus life at The University of Montana in Missoula.

Montana's future will depend on its people, on their commitment and intellectual competence.

Movement toward the development of a global economy is irreversible. Products travel freely around the world, their prices determined by international rather than national markets. The economies of all industrialized nations and of all the American states are interrelated.

A new role for on-the-job learning and training is emerging. Programs in both traditional educational institutions and in unconventional settings are required.

Above all, the concepts of the learning society and lifelong learning must be transformed from rhetoric to reality.

The challenges confronting the people of Montana on the eve of the 21st century portend a higher education system characterized both by tradition and innovation. They compel expanded educational opportunities for Montana citizens, inviting a new focus on demonstrated student achievement as the prime measure of educational accomplishment.

In the new global economy, where the capacity for producing everything from wheat to computers is available worldwide, Montana businesses can no longer compete on the basis of price alone. The critical difference—the competitive edge—must reside in the caliber of the work force.

Technology is introducing change into virtually every industry and every job, creating unparalleled demands for educated people.

Most businesses are completely reliant on skilled people, so much so that the work force has become the critical determinant of the rate of growth of the economy and the well-being of the population.

Montana Tech's east walkway, overlooking Butte, features the campus' four original buildings

Demographic Information

Enrollments and Service Levels

Seventy-two percent of the Montana students enrolled in post-secondary education are in the six public four-year colleges and universities. Private four-year college enrollments increase the total proportion of the four-year institutions to 80 percent. This is much higher than the national pattern. (Montana's six private four-year colleges enroll about eleven percent of the total four-year enrollments; the state ranks 46th in the nation in private college and university enrollments). Public and tribal community college enrollments comprise 12 percent of the total, and vocational institutes account for the remaining seven.

In 1989, about 39,000 people attended post-secondary institutions in Montana. The average age of students in all of the units of the university system has been gradually increasing for several years. The average age in 1981 was 24.7 years; in 1987 the figure was 25.7 years.

Women comprise the greater proportion of part-timers. In Montana, women account for nearly 60 percent of the part-time students and slightly more that 47 percent of the full-timers, although they represent 51.2 percent of total enrollments, full and part time.

The vast preponderance of students, nearly 92 percent, in Montana's higher education system are white, matching the general population distribution. Native Americans comprise 1.9 percent of the public community college enrollments in Montana and 3.1 percent of the full-time undergraduate students in Montana's six public four-year institutions.

Finally, Montana is a net exporter of post-secondary education students. Based on fall 1986 figures, 2,395—about 25 percent—of Montana's graduating high school students who entered college did so in another state. The number was partially offset by 1,080 entering students from other states, leaving a net college student out-migration figure of 1,315. This is not a regional pattern. Two of Montana's neighbors, South Dakota and Wyoming, also were net exporters, 233 and 741 students, respectively. North Dakota and Idaho were both net importers, with 714 and 1,258 students, respectively.

These trends and figures describe the objective conditions confronting Montana as it prepares to enter the next century. They reflect conditions of uncertainty. Whatever else, an aggressive stance will not naturally evolve. Assertive actions and policies are required. Those we recommend are presented in the section that follows.

The state is receiving high productivity from its post-secondary institutions, but in terms of adequacy and quality, major components of the system are teetering on the brink of crisis.

Opportunities should be provided for students to choose integrated high school and post-secondary options in both academic and occupational fields during their 11th and 12th years.

The Commission's Recommendations
Recommendation #1

An Educational System Focused on Expected Results

WE RECOMMEND that Montanans identify the knowledge and abilities students are expected to possess and also develop comprehensive ways of assessing whether those results have been achieved. ...

An emphasis on student mastery and competence is a logical element of any aspiration to educational excellence.

Thus, Montana should embark on a major effort involving all educational levels to identify the knowledge and abilities students should be expected to achieve at important points in their educational journey.

Montana has the opportunity to break new ground. It can design a fully integrated educational system based on demonstrable student competence. Since no models exist, there is a great opportunity for the state's education community to be creative.

For instance, the faculty of a four-year institution should be able to certify student achievement of core competencies with the award of baccalaureate degree.

Faculty members know that each field is composed of a body of knowledge and abilities that should be acquired and mastered. ... Students awarded degrees in such diverse fields as mathematics, nursing, or music should be able to demonstrate the appropriate level of mastery of their fields, both in terms of knowledge they have attained and the abilities they have acquired.

The central goal of our recommendations is a truly unified system of higher education for Montana.

We are therefore recommending a new approach to assessment to help students learn, not to build budgets.

Board of Regents' Recommended Action:
Recommendation #1

WE RECOMMEND that the Montana Systems of Higher Education begin planning for a comprehensive student outcomes assessment program. To that end, we have directed the commissioner of higher education to appoint an inter-institutional assessment planning committee to launch this effort.

The Commission's Recommendations

Recommendation #2

A More Fully Integrated Educational System

WE RECOMMEND the formation of a more fully integrated educational system, from kindergarten through graduate school, with opportunities for college courses while in high school and for continuing education and lifelong learning for all students who need and can benefit from them.

Two important impressions flow from our understanding of the social and economic conditions Montana will face in the future. The first is that high school learning experiences should not be "terminal" but designed to integrate with further studies at the post-secondary level and throughout one's adult life. The second relates to this and requires the development of cooperative secondary and post-secondary programs.

The historical distinctions between vocational and non-vocational education in the high schools are being blurred as employers expect general rather than highly specific work-related competencies in students who graduate from the public schools. Employers and post-secondary educators alike are calling for attention to academic skills in the high schools, encouraging the deferral of specific concentrations, vocational or otherwise, until the basics are accomplished. Occupational requirements thus become more specific as the individual moves up the educational ladder. This creates a new importance for post-secondary institutions of all types. It also creates need for all students to master basic academics in the high schools.

This development leads to the concept of an educational ladder—one in which advanced learning in vocational centers and colleges builds in a non-repetitive fashion on the transferable competencies students have acquired through mastery of the academic basics and exploratory career courses in high school. Increasingly, more advanced training is subsequently acquired at the post-secondary level. Occupational learning ladders can mirror the academic career path represented by college level work, postgraduate studies, and continuing education in the academic and professional fields. This process can be expedited if the admissions requirements of post-secondary institutions emphasize student competencies rather than completion of specific courses. The goal would be the mastery of these basic competencies by all students by the end of the 10th grade, the usual end of compulsory attendance.

The last two years of high school then should be characterized by expanded opportunities for students to receive occupational training and participate in college preparation programs, according to their needs and interests, in conjunction with post-secondary institutions. Opportunities should be provided for students to choose integrated high school and post-secondary options in both academic and occupational fields during their 11th and 12th years.

Lyndon Pomeroy's sculpture graces the main entrance to the Northern Montana College campus in Havre. Cowan Hall is in the background.

Broadening the Higher Education System

Montanans share in the goal of a truly accessible post-secondary education system for all of the state's citizens. Achievement requires the effective use of all the educational resources and institutions the state now has and the development of a coordinated effort to capture the potential of telecommunications and other new technologies for distance learning.

The issue of educational access in Montana involves five aspects:

1. the number and nature of the institutions the state has developed in the last 100 years;
2. accessibility to educational programs;
3. availability and duplication of programs within units;
4. credit transfer; and
5. the extent to which those institutions provide the educational opportunities Montanans will require in the next century.

Units of the University System

This generation of Montanans has inherited a number of higher education units and facilities. These are not ideally located to serve the needs of all of today's students, especially students who are not able to leave their communities because of economic or family considerations. If we were starting over, we would likely arrange and locate a system of institutions differently. That is not the case. The cost of reconfiguring the existing units into an ideal arrangement would be staggering, and we do not have that luxury. The question is not, therefore, whether the present arrangement is ideal—it is not. The more practical question is how best to take advantage of the units and facilities we have inherited.

Unit closure is frequently cited as a potential cost-cutting measure, with cost reductions accomplished by shutting down some units and shifting students to other locations.

Unit closure and the resulting limitations on access appear to run counter to the preferences of most Montanans. Less than a majority, 36 percent, feels Montana is supporting too many units. More Montanans, 60 percent, indicate they are willing to pay higher taxes to maintain the institutions the state currently has. When presented with a range of options for limiting student enrollment, 35 percent reported a preference for closing one or more of the post-secondary institutions. A large majority, 70 percent, opposed limiting the number of students allowed to enroll in the system.

In the end we are left with the reality of the standing configuration of units and facilities. As enrollments increase over the next twenty years, some expansion of the system's capacity will be required. Thus, we do not believe it makes fiscal or academic sense to close units. A more realistic and appropriate course is to make the best use of the investments the state already has made in ways that promote academic quality while minimizing cost.

Access

Most of the state's present higher education emphasis is on four-year colleges and universities, as distinct from two-year community colleges and vocational centers. This historical development appears to match Montana resident preferences. For their own child, 60 percent of the poll respondents preferred a four-year college over a two-year school. Similarly, we encountered a tendency among teachers, advisers, and counselors to not encourage high school students to consider vocational centers and community colleges. Whatever the reasons, Montana's higher education system focuses on four-year residential institutions augmented with a scattered presence of two-year institutions and vocational centers.

Against this background, the Montana Department of Labor and Industry cites data indicating that by the year 2000 the educational level necessary to obtain a job will increase to an average of 13.5 years. The high school diploma, presently required for about 58 percent of available jobs, will serve as the basic educational requirement for only 40 percent by that year. The importance of two-year programs that can be transferred to four-year institutions and vocational-technical educational opportunities are certain to increase.

If present trends continue, 40 percent of the student population of the near future may be made up of students who have typically been considered "non-traditional." Such statistics suggest that the traditional concept of college enrollments composed essentially of students going to college directly from high school—18- to 20-year-olds relocating to residential college campuses for four years of study—is fading.

Telecommunications represent an area of considerable interest to Montanans, a majority of whom believe Montana should invest in telecommunications and off-campus delivery systems to increase access to post-secondary education in rural areas.

Accomplishing that goal will require new and imaginative approaches to the manner in which higher education services are organized and delivered, and our recommendation moves the state toward that goal.

Higher educational opportunities, either on-site or technologically reproduced, should be available within commuting distance to every Montana resident.

Program Duplication

"Duplication" often carries a negative connotation, although an important distinction must be made between duplication that is necessary or desirable and unwarranted duplication. Some duplication is essential to respond to the needs of place-bound students and to ensure an adequate core curriculum at colleges and universities. The state also must meet needs for trained professionals, and this can force duplication in fields such as business and teacher education. Employment market needs for graduates of various occupational fields may contribute to duplication in vocational programs, at least while those needs are being fulfilled. The factors driving duplication in these instances are access, student demand and institutional role.

We believe the higher the program level or the more specialized and costly the field of study, the less the state is obligated to duplicate it to provide access, and the greater becomes the obligation of the student to travel to the program.

Therefore, in our view, unwarranted duplication is not a serious problem in Montana's higher education system.

The subject of program duplication has fiscal efficiency at its core. There are other aspects of this efficiency issue in addition to academic programs. We were interested in how Montana institutions compare in terms of administrative costs and asked the legislative fiscal analyst for information on this. We were advised that Montana institution administrative costs per student ranged between 50 and 70 percent of the average costs at comparable institutions in neighboring states.

We have looked at institutional closures, program duplication and administrative costs. We are satisfied that changes in these areas would yield only limited economies.

Board of Regents' Recommended Action
Recommendation #2

WE RECOMMEND that efforts be initiated by the post-secondary education sector to develop a more fully integrated system of education. The commissioner of higher education has been charged with the responsibility of inaugurating discussions with the Office of Public Instruction and the Board of Public Education.

Unwarranted duplication is not a serious problem in Montana's higher education system.

The Commission's Recommendations
Recommendation #3

Credit Transfer

WE RECOMMEND that the Board of Regents continue to assure the transfer of credit and create a Committee on Transfer of Credits composed of K-12, vocational center, community college, tribal college, and public and private four-year institution representatives to identify problems and propose solutions.

Uncertainties about how easily students can transfer between units is an issue also related to the number and types of such units. Concerns about credit transfer are common in higher education. Students and parents have reported the loss of time money when credits fail to transfer from one institution to another.

Improved transfer between units can be accomplished in several ways. Clear communication among institutions and between students and faculty is the first and most important. Another is to insist on a more fully integrated curricular structure among all units.

The Commissioner of Higher Education's office recently initiated important steps to coordinate the transferability of core courses throughout the system. Other states have implemented such initiatives as the use of inter-unit coordination committees involving both secondary and higher education faculty in statewide inter-institutional planning; establishing methods to disseminate information about which courses will and will not transfer; improving communications among faculty on transfer issues; developing agreements on transferability of core credits; and consideration of a common course numbering system, at least for lower division academic transfer courses. Several of these are worthy of trial here.

Montana Hall houses many administrative offices of Montana State University. It's one of the oldest buildings on the Bozeman campus.

A Program for the Future

WE RECOMMEND that the deputy commissioner for academic affairs be given the responsibility to plan and develop the use of telecommunications and distance-learning technologies and to coordinate an expanded education outreach effort by the higher education system. ... Accessible education is the essential means to the state's full participation in the global economy of the 21st century.

Such a conception of an accessible system requires a higher education presence of some kind in each community—either tangibly, through a higher education program, or unconventionally, in the form of distance-learning technologies.

Geographic access can be considerably extended through innovative use of existing institutions, telecommunications, and other distance-learning technologies. The state's colleges and universities offer a variety of courses and programs delivered away from their campuses. In the future these outreach offerings should be expanded and centrally coordinated. They might include first- and second-year academic courses and selected vocation programs. In some situations it may be possible to deliver certain upper-division or even master's programs on a mobile, as-needed basis.

Similarly, continuing education and retraining programs might be offered at work sites, in the evenings, on weekends and during the day for workers given release time to attend.

At any rate, courses offered through the system's outreach effort should be transferable to units of the system.

In addition, prospective students who are place-bound should be able to obtain information about education opportunities from the system units in their area or by contacting the Commissioner's office directly through a widely publicized toll-free telephone number.

We recognize that the expanded education opportunities we are describing will have to be developed over time. It may also require special funding arrangements or tuition surcharges. Nevertheless, we need to begin immediately with coordination of existing outreach programs, exploration and use of telecommunications and the assessment of the needs of place-bound students. We believe that Montana can respond to the increased demand for two-year programs in the years ahead by creatively combing its existing education resources with telecommunications and non-traditional delivery methods.

Montana can raise the quality of education and improve student learning through renewed attention to results.

Board of Regents' Recommended Action
Recommendation #3

WE RECOMMEND that the Montana Systems of Higher Education complete work on the core curriculum and extend efforts to improve transferability and articulation among all sectors of education. In addition, we recognize the importance of increased educational access through telecommunications and have made this a funding priority.

The Commission's Recommendations
Recommendation #4
Enrollment Limits

WE RECOMMEND that enrollment limits be placed on The University of Montana, Montana State University and on some programs at other institutions, to reserve them for students who are well prepared to meet the requirements of those institutions and programs. The remaining units of the system should continue to operate with enrollment policies...

One mark of an effective system of higher education is its capacity to respond to the differing needs of students. Not all students are interested in, or prepared for, the same educational experiences. For example, some are more able to develop their potential in the environment of a small college; some re challenged by the diversity of a larger university.

Reserving the state's universities for students with appropriate levels of academic preparation does not foreclose access to an excellent baccalaureate education. Montana's two-year and four-year colleges offer a variety of good opportunities for access and continuation. Other states recognized for their education opportunity and excellence have found they enhance the experiences of their students by adopting different admissions criteria for different kinds of institutions. With carefully administered admissions requirements, Montana can retain its tradition of educational opportunity while providing a variety of education experiences.

Board of Regents' Recommended Action
Recommendation #4

WE RECOMMEND that a decision to place enrollment limits on The University of Montana and Montana State University as well as other selected units of the Montana University System be deferred at this time in view of recent decisions by the Board of Regents to impose no such limits. We recognize and value the position of the commission and will visit this issue at a later time.

Ultimately, student performance should be expressed not only in terms of courses taken and credits earned but also in terms of the knowledge the student has acquired and the abilities developed.

Responsiveness implies a higher education system that is an active participatant in all important aspects of Montana economic, cultural and civic life.

The Commission's Recommendations

Recommendation #5

Expanding Research and Public Service

WE RECOMMEND that the Montana University System maintain and expand its role of research and public service programs to meet the state's economic and community development needs.

WE RECOMMEND that the governor establish a long-range planning council. ... The council should be charged with the responsibility to anticipate and plan for the state's future.

Responsiveness should be another hallmark of higher education in Montana. Responsiveness implies a higher education system that is an active participant in all important aspects of Montana economic, cultural and civic life—a system committed to the well-being of Montana: One that is productively involved in small community development and rural revitalization. It calls for research attuned to the social, economic and academic needs of the state. It involves a system with the capacity and mission to train Montanans to regard themselves as globally competent individuals with international understanding and perspectives. And it requires programs keyed to economic development, designed to prepare educated workers for rewarding positions and responsive to the needs of business and the professions.

The capacity of Montana, with its education, industrial and public resources, to affect the causes of rural decline—resource depletion, international competition, deregulation and others—is limited. The potential for the higher education community to help residents of rural Montana adjust to the effects of these conditions is enormous.

With improved role and mission definition, all of the public colleges and universities could be involved in collaborative programs of economic assistance and rural revitalization.

The roles that colleges and universities can assume with respect to economic development include providing relevant educational programs, continuing education, professional development and extension programs aimed at achieving a skilled work force, retraining and professional updating opportunities, and lifelong learning.

Public and private partnerships will play an important part in montana's economic future. Research, basic and applied, and technology transfer can contribute to industrial advances, new production processes and new products and services. Colleges and universities can assist with new business development through business incubators, research parks, financing programs, identifying appropriate value-added industries and entrepreneurial training with the objective of creating new firms, new jobs and an expanded tax base.

Montana's higher education institutions represent substantial combinations of intellectual resources sustained by regular infusions of public revenues. The public wants them involved. In our survey, 81 percent agreed that the state's colleges and universities should be involved in economic development activities to help the state and its rural communities.

Students conversing near the Liberal Arts building on Eastern Montana College's campus in Billings.

The state's colleges and universities should be dedicated to the enhancement of Montana cultural life and shaping an environment in which people will want to come and live.

WE RECOMMEND that Montana's higher education institutions actively seek opportunities to assist state and local projects rather than retaining a passive relationship in the fulfillment of their public service responsibilities.

Higher education goals can only be achieved through a system that is operated efficiently and popularly perceived as such. Efficiency presumes the presence of full coordination. The governor, Legislature and Board of Regents share the responsibility to create a truly unified system of higher education that will serve Montana now and well into the next century.

Working together with other state agencies and the private sector, Montana's higher education system should actively committed to the state's economic success and vitality, prepared to devote attention to the educational, technical assistance, entrepreneurship training, leadership instruction, telecommunications and capital formation assistance needs of the state's communities. The state's colleges and universities should be dedicated to the enhancement of Montana cultural life and shaping an environment in which people will want to come and live.

Higher education in Montana can achieve unprecedented levels of community involvement and social responsiveness and in doing so inspire pride and support among Montanans in their higher education system.

Board of Regents' Recommended Action

Recommendation #5

WE RECOMMEND that the Montana Systems of Higher Education increase their responsibility to the society they serve through expanded research and public service efforts. Further, we recognize the critical role of higher education in leading a statewide planning effort. We have directed the commissioner of higher education to notify the governor of the willingness of higher education to lead a comprehensive statewide long-range planning effort.

The Commission's Recommendations
Recommendation #6
Public Higher Education and Budgeting

WE RECOMMEND that the state's units of higher education be managed and funded as a unified enterprise.

Montana needs a system of higher education, not merely a collection of separate units.

Expanded inter-institutional collaboration and coordination should be a prominent feature of the system.

The Commissioner of Higher Education should maintain an executive and supervisory relationship over the unit presidents and directors and be the chief spokesperson for the system. The Commissioner should have general responsibility for managing system matters. Neither the Commissioner nor the Board of Regents, however, should be involved in day-to-day campus operations; they should not attempt to "micro-manage" the institutions.

WE RECOMMEND that the Board of Regents prepare and submit a single budget proposal to the Legislature and be made responsible for allocation appropriations for the system.

To accomplish these goals the Board of Regents should exercise its full responsibility for the management of the Montana University System. Improved relations between the Board of Regents and the Legislature are crucial to the future of higher education in Montana. Only if the Legislature allows the Board to manage both the academic and fiscal affairs of higher education can the state develop a true system. Legislators are bound to disagree with Board decisions from time to time, particularly if those decisions adversely affect a unit in their home districts. To the extent this disagreement is expressed in line-item budgeting or fiscal retaliation, it promotes regionalism rather than unity, and in the end both the state and students suffer.

WE RECOMMEND that the Board of Regents and the Legislature establish a Higher Education Planning and Budget Committee composed of four regents chosen by the Chairperson of the Board and four legislators, two from each party and each legislative body, to be selected by the President of the Senate and the Speaker of the House, respectively. ... Working through the Higher Education Planning and Budget Committee, the board and legislators should review the budget for the system and consider the need for new programs or the curtailment of existing programs. Only by working cooperatively can the board fulfill its responsibility to manage the higher education system for fiscal accountability and oversight.

We strongly believe the state has no more than five years to restore the system's fiscal health before even more serious and lasting consequences occur.

Board of Regents' Recommended Action
Recommendation #6

WE STRONGLY RECOMMEND that a strong, unified management system be empowered to administer public post-secondary education in Montana.

Recently, we established the commissioner of higher education as the chief executive officer and chief spokesperson for the system to whom presidents and center directors report.

In addition, we strongly believe that the regents should have authority to allocate funds awarded to us in a lump sum by the Legislature. We fully understand the responsibility we would have in preparing budgets and reporting expenditures to the Legislature. Finally, in accord with the commission's recommendation, we have established a Higher Education Planning and Budget Committee.

Main Hall of Western Montana College of The University of Montana in Dillon.

The Commission's Recommendations

Recommendation #7

Higher Education Funding

WE RECOMMEND that the Legislature adopt as state policy the funding of Montana institutions at no less than the average of peer institutions. If budget restrictions reduce the level below the average of the peers, institutions should be required to limit new admissions or otherwise restrict enrollments to the point necessary to ensure maintenance of the average as a minimum support level.

The state has recently experienced a faculty turnover rate that is three times the national average.

Montana ranked 45th in the nation in terms of state and local tax appropriations per full-time equivalent (FTE) public institution student. Montana appropriations averaged $3,987, well below the national average of $5,086. All of its regional neighbors except South Dakota ($3559, 48th) ranked higher than Montana on this scale: Wyoming, $7,335 (third); Idaho, $4,516 (thirtieth); and North Dakota, $4090 (forty-second). The national average figure is 27.5 percent higher than Montana's.

Montana also ranks last among the states in per-student, need-based state financial aid awards. The average 1989-90 grant in Montana was $321. The national average was $1,171. Montana ranks below Puerto Rico ($457) and all of the neighboring states: Wyoming ($454), South Dakota ($336), North Dakota ($606) and Idaho ($430).

Faculty recruitment is a serious problem. A particularly demoralizing situation occurs when recently qualified faculty must be offered greater salaries than we pay to senior professors who have spent their careers teaching Montana students. Almost certainly for these reasons, the state has recently experienced a faculty turnover rate that is three times the national average.

Meanwhile, half The University of Montana faculty are expected to reach retirement age in the next 10 years.

Other indicators of slippage include library support. We are advised that The University of Montana has not subscribed to a new journal in 11 years. At Montana State University, the number of actual volumes held as a percentage of the College Library Standard of the Association of College and Research Libraries is 50 percent.

We are convinced that if the system continues to operate at such levels, the adverse consequences will be profound and enduring.

The present budgeting formula is theoretically designed to provide a level of funding for Montana institutions comparable to the average of peer institutions. In recent years, however, the formula has not been fully funded; the two universities and Montana Tech recently received only two-thirds of what the formula indicates they should receive.

Funding must be sufficient to sustain a safe, resourceful and well-maintained physical plant and infrastructure, without deferred maintenance, which in the long run only costs the state more.

WE RECOMMEND a five-year program to restore adequate funding for the higher education system.

Because of the serious erosion in funding higher education over the past nine years, Montana is faced with a substantial challenge to restore system health. To bring all of the units to their current peer institution averages would require an increase of about $45 million over the present funding base. More than 82 percent of the additional funds would be needed just to bring MSU and UM to their comparison institution averages.

Therefore, we recommend the Legislature and the Board of Regents work together to ensure that in each of the next five years specific bench marks are attained so that by 1995 Montana's institutions will have been restored to at least an average position in this region.

In each of the next five years, the Legislature should increase funding levels for the system by somewhat equal fixed percentages so that average peer funding is achieved by 1995. If in any year the system does not receive the percentage increase, the Board of Regents should then take immediate steps to eliminate students from the system in sufficient number to achieve the target percentage of per-student support for that year.

Montanans are sensitive to the problem that exists in higher education funding. In our public opinion poll a majority indicated they were willing to pay higher taxes to maintain the post-secondary programs and institutions the state currently has (those expressing such an opinion represented 60 percent). A majority, 66 percent, also supported paying higher taxes to ensure a system that would be competitive in quality with neighboring states.

Few, 22 percent, were willing to control enrollment in order to control costs and maintain present funding levels; and very few, 4 percent, were willing to reduce student enrollment even more to reduce funding needs.

Finally, the option of limiting the total number of students who could be enrolled in the system was ranked last among the choices for cutting costs.

WE RECOMMEND that the state restore the policy of providing 65 percent of the per-student instructional funding for Montana's community colleges.

Montana's community colleges provide an important service to students and the state, with local communities assuming a portion of the cost. Originally community colleges' instructional budgets were supported at a ratio of 65 percent state funds to 35 percent local. As pressures have increased on state budgets, this ratio has shifted to require more and more local support. In recognition of community colleges' service to the state, to maintain their quality and ensure programs to meet the increasing need for two-year institution enrollments in the future, we recommend a return to the state policy of providing 65 percent of the per-student funding. A return to this level of state participation also will require a phasing program similar to the one we recommend for the four-year units in the preceding recommendation.

Board of Regents' Recommended Action

Recommendation #7

WE RECOMMEND funding levels be established that would allow parity among our Montana institutions and their peers. We have used the recommendations of the Education Commission for the Nineties and Beyond in developing our budget request for the 1993 biennium.

Board of Regents' Summary

The Board of Regents wish to extend to all members of the Education Commission for the Nineties and Beyond our thanks for their extremely hard work in preparing *Crossroads*. We have endorsed virtually all the commission's recommendations and have already initiated efforts to bring most of them to pass.

To the commission, we say "well done." The ball now rests with us to do our part along with the governor, Legislature and the people of Montana.

Items from the Commission's poll of Montanans

Selected Statements about State-Supported Post-Secondary Education in Montana

Response Summary:

Access

Montana's post-secondary education system should provide all the undergraduate and vocational programs Montanans want, so they don't have to go out of the state.

agree	74 percent
disagree	25 percent
no opinion	2 percent

Cost

I'm willing to pay higher taxes to maintain the post-secondary programs and schools we have now.

agree	60 percent
disagree	36 percent
no opinion	4 percent

A larger share of the education costs should be paid by the students and their families through higher tuition and fees.

agree	34 percent
disagree	61 percent
no opinion	6 percent

Funding

Salaries for teachers in Montana's post-secondary schools are generally too low.

agree	59 percent
disagree	18 percent
no opinion	22 percent

Number of units

Montana is currently supporting too many units of post-secondary education.

agree	36 percent
disagree	44 percent
no opinion	20 percent

Source: Survey of Montana public opinion, March 1990 (The University of Montana Bureau of Business and Economic Research)

Quality

I'm willing to pay higher taxes to ensure an educational system that is competitive in quality with our neighboring states'.

agree	66 percent
disagree	29 percent
no opinion	5 percent

Role and Scope

Montana should invest in telecommunications and off-campus delivery systems in order to increase the access to post-secondary education for people in rural areas who cannot easily get to the schools.

agree	68 percent
disagree	24 percent
no opinion	8 percent

Close one or more of the post-secondary schools.

favor	35 percent
oppose	57 percent
undecided	8 percent

Eliminate all non-degree courses or programs, including "enrichment" courses.

favor	28 percent
oppose	57 percent
undecided	14 percent

Eliminate graduate programs that are readily available in nearby states.

favor	23 percent
oppose	64 percent
undecided	12 percent

Limit the total number of students who can be enrolled in the entire post-secondary system.

favor	22 percent
oppose	70 percent
undecided	8 percent